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Accord On GATT Not Yet Sewn Up

Politicians Resist Last Steps Despite EC Breakthrough

By Tom Redburn
International Herald Tribune

PARIS — Despite the European Community's decision to overhaul the costly farm subsidy program that has long blocked a global trade agreement, the United States and the EC remain a long way from reaching an overall settlement of their dispute, officials said Friday.

"Don't hold your breath just yet," a U.S. trade official said. "For all the progress that we have made in recent months, there is still a great deal of reluctance at the highest political levels in both Europe and the U.S. to take the final steps to a GATT deal."

The EC farm agreement reached Thursday night was greeted with sporadic demonstrations from organized farm groups Friday, who contended that Europe's politicians were sacrificing them in order to reach an agreement with the EC's trading partners. A protester and a policeman in Rouen, France, were slightly wounded after about 100 farmers set fire to a police post at the entrance to a government office. Farmers in Brussels burned an American flag in front of the U.S. Embassy.

Farm leaders conceded that they had hoped for more vigorous protests, predicting further action in the coming days.

But there was no indication that the protests would alter the far-reaching plan, which actually preserves overall farm income by cushioning big cuts in subsidized European grain prices through direct payments to farmers instead.

Within the EC, large French and British agricultural interests were the big winners, largely at the expense of Germany, farmers, whose small, inefficient plots will suffer the most from the cuts in price subsidies.

European leaders, grateful that they had finally managed to overcome opposition to reform from the powerful French and German farm lobbies, said the next move was now up to Washington.

They contended that the Uruguay Round of negotiations, which are being held under the aegis of the General Agreement on Tariffs and Trade, would not make further progress until the Bush administration agrees to make concessions in other areas of the talks.

"Despite the missions to Washington by Jacques Delors and the German chancellor, one cannot say that discussion has advanced,"

See TRADE, Page 19

The Associated Press

Chancellor Helmut Kohl gesturing to President François Mitterrand in La Rochelle, France, on Friday before to their talks on plans for the joint army corps.

Bonn and Paris to Deploy Euro-Corps by 1995

By William Drozdiak
Washington Post Service

LA ROCHELLE, France — Citing the need for Europe to assume a greater share of the burden for its own defense, the leaders of France and Germany unveiled plans Friday for the 35,000-member joint army corps that they hope will become the nucleus of a continental defense force.

President François Mitterrand of France and Chancellor Helmut Kohl of Germany concluded a two-day meeting here by urging their European partners to contribute troops to the corps, which will have its headquarters in Strasbourg and be ready for deployment in 1995.

Belgium, Luxembourg, Spain and Italy are thinking about joining, but Britain and the Netherlands have rejected the idea.

Seeking to infuse new momentum in the drive to link their countries, Mr. Kohl and Mr. Mitterrand also announced plans for a new high-speed train network to connect Paris with Munich in southern Germany and Berlin in the north.

The network will cut travel time by as much as half between major cities. A trip from Paris to Frankfurt will take three and a half hours, and from Paris to Berlin six and a half hours. The high-speed lines will hook up with eastern connections to bring Budapest and Moscow closer to the West.

Pentagon will shut or reduce operations at 61 sites in Europe and 2 in Korea. Page 3.

The ambitious effort in military cooperation by the European Community's two leading powers has evoked consternation among American officials, who fear it could undermine the Atlantic military alliance and intensify pressure in Congress to accelerate the withdrawal of U.S. troops from Europe.

In a joint declaration, the French and German governments sought to allay U.S. reservations by stating that the corps would "contribute to the reinforcement of the Atlantic alliance." The two governments also said their fresh troop commitments to the corps would not affect "existing obligations to other organizations."

German officials said that phrase was added to assure the United States that the Bonn government would not dilute its military contribution to the North Atlantic

See CORPS, Page 4

Thai Leader Seems Ready To Step Down

Suchinda Loses Support Of His Political Coalition

By Philip Shenon
New York Times Service

BANGKOK — Thailand's besieged prime minister was abandoned Friday by his political coalition and presented with what amounted to an ultimatum that he resign for his part in the bloodiest political unrest in the nation's modern history.

There was no immediate response from the prime minister, General Suchinda Kraprayoon, to the announcement by his five-party coalition that they had drafted constitutional amendments that would require him to step down.

[General Suchinda has resigned, Agence France-Presse quoted "highly reliable sources" as saying early Saturday. General Suchinda was believed to be about to leave the country, the sources said. They did not indicate where he was to go. No official confirmation was immediately available.]

The amendments would require the prime minister to be elected — not, like General Suchinda, appointed.

The move by the political parties unleashed a flood of rumors here — that General Suchinda would resign, that he would dismiss parliament and call for new elections, that his supporters or his enemies in the military would launch a coup.

The effort to remove the prime minister came as evidence mounted that General Suchinda had intentionally underestimated the death count from three days of street clashes this week between soldiers and pro-democracy demonstrators.

While the government has put the death toll at 40, private groups reported Friday that at least 350 people were still missing — many of them thought to be dead.

Medical workers reported that military vehicles had gathered bullet-riddled bodies from hospital emergency rooms on Monday and Tuesday before they could be counted and identified, and then cremated them outside Bangkok, apparently with the intention of keeping the official death count low.

"Dead people were certainly put into trucks and carried away — many people have said this," said Thavitong Hongvirathana, a vice president at Mahidol University, who has organized a telephone hotline to register the missing. "I do not believe that only 40 people were killed. It must have been several times higher."

Among those also abandoned by General Suchinda was his foreign minister, Pongpol Adireksarn, who, choking back tears, told a news conference that the prime minister must take responsibility for this week's violence.

"The information and opinions and comments which I have received point to one conclusion, that we must change the prime minister," Mr. Pongpol said. "The image of the country can only improve after we change the prime minister."

Hundreds of employees at the Foreign Ministry wore black in protest over the government's brutal suppression of the pro-democracy demonstrators. Mr. Pongpol received a letter from senior staff members at the ministry protesting the killings.

General Suchinda, until last month the nation's supreme military commander, was the architect of a February 1991 coup that toppled Thailand's last democratically elected government, which military leaders described as corrupt.

He and allies in the armed forces then oversaw the rewriting of the constitution to grant broad new government powers to the military, including control over appointments to the upper house of parliament.

Many Thais were not surprised — although they were angered — when General Suchinda emerged little more than a year after the coup as Thailand's new unelected prime minister, approved by the political parties close to the military. He had refused to rule out a

See THAIS, Page 4

'Appalled,' U.S. Will Clamp Down on Belgrade

Compiled by Our Staff From Dispatches

LONDON — The United States will expel Yugoslav military attachés from Washington and close two consulates as part of a growing campaign by the United States and Europe to force Serb-dominated military forces to withdraw from Bosnia-Herzegovina, the U.S. secretary of state, James A. Baker 3d, said Friday.

Speaking in London after talks with Prime Minister John Major at which the situation in Yugoslavia was discussed, Mr. Baker said the United States was ready to level severe political and economic sanctions against Serbia for perpetuating "a humanitarian nightmare" against its neighbors.

He said the United States would not return its ambassador to Belgrade, the capital of Serbia and the rump Yugoslav republic, and would be reducing other personnel at the U.S. Embassy there.

Mr. Baker is heading Saturday to Lisbon, where a conference on assistance to the former Soviet Union is likely to be overshadowed by the Yugoslav strife and by the expected signing of a Strategic Arms Reduction Talks protocol on missile cuts.

"We have some ideas we will be discussing with our allies, and there may be some that we will decide to go forward with, whether we can bring the European Community along or not," he said.

Mr. Baker's warning of U.S. unilateral action marked a shift from the Bush administration's willingness until now to let the Europeans take the lead in dealing with the breakup of Yugoslavia. But it also could be a ploy to get the Europeans' attention and support.

A memo delivered to European governments had described Washington as being "appalled" by the Serbian leadership's behavior in the Yugoslav crisis.

In Washington, Richard A. Boucher, a State Department deputy spokesman, noted that the department had previously said it was considering a broad range of measures that the United States could take alone or in concert with allies.

These other elements of the campaign against the rump Yugoslav state emerged Friday:

- Bosnia-Herzegovina was admitted to the United Nations on Friday, together with Croatia and Slovenia, and urged the organization to defend it against aggression.

"We call on this body to come to our aid in the hour of our greatest need," the Bosnian foreign minister, Haris Silajdzic, said in remarks to the General Assembly.

- The executive commission of

See SANCTION, Page 4

Toyota and Japan Say Bye to Easy Money

By Paul Blustein
Washington Post Service

TOKYO — Japan Inc. is starting to say good-bye to the cheap money that fueled its surge to international financial dominance in the 1980s.

That was the message implicit this past week from Toyota Motor Corp., which said that the company had raised $1 billion by selling bonds to investors in the London Eurobond market.

No private company had ever tapped the international market with such a large straight-bond issue, lacking convertible or other extra features.

As impressive as Toyota's bond sale was for its sheer size, however, the development augurs ill for Japan's economy.

It heralds a new era in which Japanese companies will be forced to raise trillions of yen for new factories, equipment and research at much higher interest costs than before. This marks the end of a period in which Japanese concerns enjoyed a big advantage over their foreign competitors by being able to borrow at low interest rates.

Toyota will pay an interest rate of 6.78 percent on the bonds, which is about the same as any highly rated company would pay, Japanese or not. By contrast, five years ago, the automaker planned

See BONDS, Page 19

Kiosk

L.A. County Set As Retrial Site

LOS ANGELES (AP) — The retrial of Laurence M. Powell, a white police officer, in the beating of Rodney G. King, a black motorist, will be held in Los Angeles County, a judge ruled Friday.

Judge Stanley Weisberg overruled objections from Mr. Powell's attorney, who argued that his client could not get a fair trial in Los Angeles, where the beating took place.

Business/Finance

Lloyds Bank's bid for Midland is to undergo a British anti-trust review. Page 17.

The Agnelli family bought 2 percent of Accor. Page 19.

Dow Close
Up 16.06
3,388.77

The Dollar in New York

Dm	1.6155
Pound	1.8155
Yen	129.25
FF	5.4325

Crossword Page 4.

Richard Ellis/Reuters

IT'S THE LITTLE THINGS — General Pavel Grachev, the new Russian defense minister, struggling Friday with his earphones at his first press conference in his new post. He said he would slash the Russian general staff by half. Page 2.

Muslim Slavs: Last Roundup

Serbs Herd Them Into 'Heartbreak Hotels'

By John F. Burns
New York Times Service

ZVORNIK, Bosnia-Herzegovina — When Serbian gunmen go door to door, pulling Muslim Slavs from their homes at gunpoint and herding them aboard cattle trucks, they call it "ethnic purification."

But another name for what the Serbs are doing in this deserted, bullet- and shell-scarred town in the hills of eastern Bosnia, and in communities elsewhere in this disintegrating republic, is the revision of history.

For more than 500 years, since Turkish conquerors swept up the Drina River valley and overthrew the medieval Serbian potentate whose ruined fortress looks down from Zvornik's wooded heights, this has been a place where Serbs, Muslim Slavs and Croats have lived side by side.

But not for much longer in Zvornik, if it is left to the slouching Serbian militiamen who now control the town. At lunchtime one day this week another truck appeared in the sinuous back streets. In minutes, militiamen in camouflaged fatigues press-ganged more Muslim men aboard, to join the wave of at least 670,000 refugees already swamping the "heartbreak hotels," as the victims of Bosnia's savage civil war call the tent camps, school gymnasiums, and parks that serve as temporary quarters for many of the homeless.

At least 5,000 of the refugees, perhaps twice as many, are Muslims from Zvornik, a town with a 60 percent Muslim majority that only had about 15,000 residents when the deportations began six weeks ago.

How many Muslims have been driven from all of eastern Bosnia, a region about 80 kilometers (50 miles) wide and about 200 kilometers deep, is unclear, but what is certain is that the Serbian terror tactics have been aimed at making a Serbian stronghold of a region where 78 percent of a population of about 450,000 people were Muslims, and only 10 percent Serbs, at the time of the 1991 census.

The UN High Commission for Refugees has described it as Europe's worst refugee crisis since World War II, and one of the worst anywhere in decades.

"I saw the people crying," one old Muslim said, describing the latest expulsions from Zvornik. West-

See SERBS, Page 4

Europe Finds the Big Spenders Are Roaring Back

By Suzy Menkes
International Herald Tribune

PARIS — It seems that the death of the designer decade has been greatly exaggerated.

Figures from the luxury companies for 1991 — expected to be catastrophic because of the Gulf War — are respectable. In Paris, the spring selling season, which got off to a slow start, is picking up. And last year's endangered species, the big-spending tourist, is showing a quiver of life.

"The situation is quite encouraging; I don't share the global gloom," said Philippe Vindry, general director of Dior.

Dior's boutique on the Avenue Montaigne shows a 31 percent rise in turnover for the first four months this year compared to the similar period last year, although that was at a nadir for business.

At Nina Ricci across the avenue, the general director, Wladimir de Kousmine has registered "a strong return of Middle East clients, an increase in South Americans, Japanese on a level with last year and not much movement from European clients."

"And in the United States," he said, "our figures for these first four months are slightly up."

"At Louis Vuitton in Paris, we have registered a strong increase in tourists from Japan and Asia," said Rosemary Laudouard, speaking for LVMH. "American tourists are more or less the same because of the state of the dollar. The local clientèle is stable. In Japan, there was a surge because of the Louis Vuitton sponsorship of the America's Cup. And we have registered a mild reprise in the United States compared to this time last year."

"We are seeing plenty of Japanese and American tourists, and they are spending," said a Celine spokesman of its accessory and clothing stores on Avenue Montaigne that sell at medium-high prices.

Jacques Mouclier, president of high fashion's ruling body, the Chambre Syndicale, is not so bullish about the supposed return of tourist plastic to the city.

"Paris is busy," he said, "but what we are seeing is coaches filled with East Europeans who have come to sightsee. It is true that the couture has taken off again and that the very rich are always around, but that is not how the luxury industry makes its money. And in the area of the *arts de vivre* — porcelain, crystal, and tableware — things are completly flat."

The surge of the French luxury industries during the 1980s came from developing global markets, especially in Asia, and by producing ancillary products with a luxury cachet at relatively accessible prices for aspirational new

U.S. tourists returning, wallets tightly gripped. Page 5.

See LUXURY, Page 5

Bitter Tea for the Okinawans

Event Revives Frictions Over Tokyo's Rule

By James Sterngold
New York Times Service

NAHA, Okinawa — The Japanese government spared no effort in celebrating the 20th anniversary of America's return of Okinawa, which many regard as the high point in Washington's postwar relations with Tokyo.

The emperor and the prime minister greeted Vice President Dan Quayle warmly, as both sides tried to rekindle the good will engendered among the onetime enemies by that act 20 years ago.

Only one thing was missing: the Okinawans.

With the main ceremony held in Tokyo, 1,500 kilometers (900 miles) to the northeast, and their own rocky, windswept islands reduced almost to an afterthought, the Okinawans decided to hold a separate celebration, pungent with very different meanings.

An orchestra of traditional instruments played the prefecture's distinctive music, strains of China evident in the singsong melodies. But it did not once play the Kimigayo, Japan's unofficial anthem.

The song, which was played at the Tokyo ceremony, is a paean to the emperor, making it a symbol here of Japan's wartime oppression of Okinawa, when the islanders could be shot for speaking their own dialect.

And while the national flag, the *hinomaru*, fluttered in its red and white glory all over Tokyo, it was conspicuously absent here, except for a single rising sun image above the stage.

The three flagpoles in front of the convention center sat empty, bathed in the hard light of a breezy subtropical morning full of hope and frustration for the 1.2 million people of Japan's poorest prefecture.

"Maybe it was insulting for them to have the ceremony in Tokyo, but as an Okinawan I'm used to being insulted," said Tatsuhiro Oshiro, one of the island's most respected novelists. "It will make us stronger. We've accumulated a kind of wisdom from our hardships."

Masahide Ota, the prefecture's American-educated governor, put the issue in more political, but no less plain-spoken, terms. "There would have been one ceremony if the national interests were the same as the local interests," he remarked. "Unfortunately, that was not the case."

The history of the more than 60 islands that make up Okinawa is a story of a culture long caught between more powerful, competing powers. It was a kingdom trading actively with Asia for centuries, then stood in the awkward position from 1611 on of being vassal to both China and Japan. The ambiguity was clarified when the islands were forcibly annexed by Japan in 1879, beginning a period of economic exploitation and cultural intolerance.

The Japanese, preaching the religion of homogeneity, looked down on the Okinawans and their dialect, while pressing them to assimilate. The

See OKINAWA, Page 4

Walesa and Yeltsin Agree to End an Era of Hate

By Michael Dobbs
Washington Post Service

MOSCOW — The first post-Communist presidents of Russia and Poland, Boris N. Yeltsin and Lech Walesa, signed a friendship pact Friday designed to end almost four centuries of political enmity and military conflict.

"We are opening a new stage in relations between Russia and Poland," said Mr. Walesa, the former Gdansk electrician who led the 1980 shipyard strike that cracked the monolithic facade of the Communist world. "I would like Poland and Russia to become the foundation of the post-Communist states of Europe."

Mr. Walesa, who is making his first official visit to the former Soviet Union, received a red-carpet welcome in the capital of a nation that once reviled him as a counterrevolutionary agitator.

Russian leaders from Mr. Yeltsin downward have gone out of their way to shower him with honors in an attempt to show that the Kremlin wants to put its relations with its former East European vassals on a new basis.

In addition to the new friendship treaty, which included a joint denunciation of the Communist system, Poland and Russia also signed a pact on the withdrawal of an estimated 40,000 former Soviet troops from Poland by Nov. 15.

A smaller group will remain behind to supervise the transit of 200,000 former Soviet troops in Germany over the next two years.

Russian and Polish officials both acknowledged that there had been "difficult moments" during the talks, but blamed them on past disputes. Mr. Walesa said at a news conference that he was in favor of "starting from zero" in relations with Moscow, but he complained that it was unclear whether Russia regarded itself as the successor state to the old Soviet Union.

Asked to describe the principal points barring good relations between Poland and Russia, Mr. Walesa replied: "The past, the past, and the past. Everything is O.K. as long as we talk only about the future."

The two Slav countries have been mutual enemies since the early 17th century when Poland invaded Russia during the so-called "Time of Troubles" and conquered a wide swath of Russian territory. Russia more than got its own back in the late 18th century with successive annexations of Polish territory that ultimately removed Poland from the map of Europe.

Mr. Walesa ends his visit to the former Soviet Union on Saturday with a trip to the Katyn forest in Belarus, where the best of the Polish officer corps was massacred by Stalin's secret police during World War II.

It took the Kremlin more than half a century to formally acknowledge responsibility for the killings, which have long been one of the main stumbling blocks to normal relations between the two countries.

Mr. Walesa also had a private meeting with the former Soviet leader, Mikhail S. Gorbachev, who allowed Poland and other East European countries to break free from Soviet domination and Communist party rule in 1989. He later paid tribute to Mr. Gorbachev's political skills, describing him as a "great gambler" who had done an enormous amount for the "renovation" of his country.

Hober Ajemi/Agence France-Presse

Azerbaijani defenders taking a break to eat from their defense of Nakhichevan, an Azerbaijan-ruled enclave under attack by Armenia.

New Chief Of Russian Military to Slash Staff

By Fred Hiatt
Washington Post Service

MOSCOW — General Pavel Grachev, the newly appointed Russian defense minister, said Friday that he planned to cut in half the "monster" general staff of the former Soviet military and root out the "wheeler-dealers" who have been "selling wholesale" weapons and other equipment from the vast but demoralized former Red Army.

The 44-year-old paratrooper and veteran of the Afghan war, describing for the first time Russia's long-range plans for its army, said he hoped to create a smaller, more professional force with rapid deployment capabilities and a purely defensive character.

He pledged to open the long-secretive, powerful Defense Ministry to the press and public and to take better care of Russia's long-suffering soldiers.

"Building the armed forces is one of Russia's most urgent tasks right now," General Grachev said. "In a nutshell, Russia should have an armed force appropriate to a great power."

But General Grachev made it clear that Russia was a long way from that goal. He said Russia's forces were under attack in several places outside Russia and were losing their skills because they have no funds for training exercises.

He and another general said that the army had managed to draft only 17 percent of young Moscow men who should be eligible this spring, with the rest excused on account of what General Grachev caustically labeled "so-called illnesses." The officer mourned the olden days, when he said "every Russian man was a warrior."

General Grachev became President Boris N. Yeltsin's first defense minister after military reformers lost their bid to have Mr. Yeltsin break with Soviet tradition and name a civilian.

General Grachev made it clear that the Russian Army, which has laid claim to most forces of the former Soviet Union, would defend Russia's interests first and foremost. He stated, for example, that he did not believe that Russian troops should begin withdrawing from the Baltic states until all have left Poland and Germany, at the end of 1994 — unless the Baltic states agree to pay for officers' housing in Russia.

He took a swipe at Ukraine when he argued that the entire Black Sea Fleet should remain under control of the Commonwealth of Independent States, rather than being divided and given in part to Ukraine, as that republic has demanded.

He said he had authorized Russian troops to use tanks and shoot to kill if they, their families or their property were subjected to "hooliganism or banditry" in areas of ethnic tension outside Russia. Dozens of troops have been killed and injured in such attacks this year, according to military officials.

And General Grachev said that Russia would reject an Armenian request to keep elements of the old 7th Army in that Caucasian state, now embroiled in fighting with Azerbaijan.

Despite a collective security pact recently signed by Russia, Armenia and four other former Soviet republics, Mr. Grachev said the Russian leadership "will not send Russian boys where they may be killed, where Russian blood may be spilled."

General Grachev said Russia would consider an Armenian request to slow the withdrawal, which he said would begin June 1. And he dismissed speculation that Russia and Turkey could be drawn into a war, with the Turks defending the Muslim Azerbaijanis and Russia on the side of Christian Armenia.

"As far as I know," General Grachev said, "Turkey is a very civilized country, and it has no intention of attacking anyone."

Military officials said the war zones between Armenia and Azerbaijan were relatively quiet Thursday night and Friday.

■ **NATO Statement**

NATO, worried that Turkey could be drawn into the conflict over Nagorno-Karabakh, told Armenia on Friday that it could not hang on to territorial gains made in the fighting with Azerbaijan, Reuters reported from Brussels.

"Allies are profoundly disturbed by the continuing bloody conflict and loss of life," NATO said in a statement that urged Armenia and Azerbaijan to stop fighting and find a peaceful solution to their dispute.

It said forces should be withdrawn from occupied areas.

Turkey, which has strong ties with Azerbaijan, had urged its Western allies to condemn Armenia and warned them that it might otherwise become involved in a war.

Diplomats of the North Atlantic Treaty Organization said that although the statement contained an appeal to all involved in the crisis, it also held a clear warning to Armenia and to the majority Armenians in the disputed enclave of Nagorno-Karabakh.

"Any action against Azerbaijan's or any other state's territorial integrity or to achieve political goals by force would represent a flagrant and unacceptable violation of the principles of international law," the statement said.

"In particular, we could not accept that the recognized status of Nagorno-Karabakh or Nakhichevan can be changed unilaterally or by force."

Both of those disputed enclaves are ruled by Azerbaijan.

Homecoming for a Solzhenitsyn

By Celestine Bohlen
New York Times Service

MOSCOW — Natalia Solzhenitsyn returned to Russia on Friday, 17 years after she and her husband, Alexander I. Solzhenitsyn, the writer, dissident and Nobel Peace laureate, were expelled from the Soviet Union.

Now the Soviet Union is gone, but Mr. Solzhenitsyn, a man of towering stature both here and abroad, has yet to come home.

At Moscow's Sheremetyevo Airport, where she arrived Friday from the United States with two of the couple's three sons for a monthlong stay, Mrs. Solzhenitsyn made it clear that her main mission was to set the stage for her husband's homecoming.

"He will return by all means," she said. "It has been decided. It will be a very serious step. He thinks, and he is right, that it will be the last move of his life, and it should be well prepared."

"This is what we have been living for all these years in exile," she said, after being greeted with flowers and embraces by a small crowd of friends. "Our main purpose is to come to our motherland."

Mr. Solzhenitsyn, whose Soviet citizenship was restored in 1990, has repeatedly said he would not return to Russia until all his books were published here. Last year, he made his first foray into local politics, with a lengthy essay arguing for the restoration of a Greater Russia, which would bind Russia, Ukraine and Belarus, without the other former Soviet republics.

Since then, his prophecy has been swept aside by the rapid disintegration of the old Soviet empire, and by heightened tensions between Russia and Ukraine.

Nuclear Test By China Startles The West

By Joseph Fitchett
International Herald Tribune

By testing a nuclear device 50 times larger than the bomb that devastated Hiroshima, China has achieved at least one purpose with its muscle-flexing: It has triggered dismay among Western governments.

The military rationale for the underground blast, the biggest ever by China, is unclear at a time when Western governments carry out testing to verify their ability to make smaller and safer, not bigger, warheads.

Because of the inordinate size of the Chinese explosion, the United States is approaching Beijing for explanations about its military purpose and for reassurances about the risk of radiation leakage.

But Western ire, evident in prompt public rebukes to China, reflected concern that the timing of the mammoth test could hamper the U.S. effort to shut the lid on nuclear ambitions among former Soviet republics and in North Korea.

It also is a defiant gesture to France, which has called for a temporary halt to testing. French relations with Beijing are under strain over Taiwan's bid to buy several billion dollars worth of advanced Mirage warplanes.

Beijing has warned that any deal that significantly improves Taiwan's military power will prompt retaliation by China, probably in the form of arms sales jeopardizing Western efforts to block the spread of long-range missiles to Third World countries.

Similar intimidation, Western officials said, can be read in the nuclear test, which was meant to convey a message that the rest of the world cannot ignore China's status as a nuclear power — and mischief-making potential.

The U.S. anger was directed primarily at the timing of the Chinese test, which occurred at a critical point in U.S.-led efforts to settle the nuclear legacy of the former Soviet Union without the emergence of any new nuclear states with nuclear weapons.

As early as this weekend, the United States hopes to get agreement from Belarus, Ukraine and Kazakhstan to join the U.S.-Russian treaty reducing long-range nuclear missiles, hand over to Moscow the long-range missiles and bombers on their territory and sign the Nuclear Nonproliferation Treaty as nonnuclear nations.

The menacing reminder from China, however, could rattle Kazakhstan, which has constantly cited fears of Chinese ambitions along their ethnically volatile border as a reason for wanting to keep nuclear weapons of its own.

The United States could now come under renewed pressure to offer assurances of U.S. support for Kazakhstan in the event of trouble with China — something that Washington has been reluctant to give in exchange for Kazakh denuclearization.

An almost certain casualty of China's action is early movement toward a comprehensive nuclear test ban.

That idea already was floundering, mainly because the allies objected to President François Mitterrand's unilateral initiative last month in suspending French nuclear tests for a year, apparently to mollify environmentalists.

Both President George Bush and Prime Minister John Major were so irritated by what they saw as an untimely, potentially troublesome *initiative that they have declined* even to respond to Mr. Mitterrand on the issue.

The only support for the surprise French initiative was praise by President Boris N. Yeltsin of Russia. But even before the Chinese test, officials in Moscow predicted that Mr. Yeltsin was likely to order a resumption of testing, probably this fall, as a gesture to the Russian military establishment.

In Paris, officials said that China's open rebuff may strengthen the hand of Defense Minister Pierre Joxe, who opposed the moratorium on nuclear tests and has been urging Mr. Mitterrand to approve the sale of fighter-bombers to Taiwan in order to help France's ailing aerospace industry.

WORLD BRIEFS

Israel Hits Shiite Targets in Lebanon

BEIRUT (AP) — Artillery duels rocked southern Lebanon on Friday while Shiite Muslim mourners, vowing swift revenge, buried victims of Israel's bloodiest air raids against guerrilla targets this year.

The police said Israeli and allied militia gunners shelled suspected military bases in the southeastern villages of Mashghara and Ein el Tineh. Three civilians were wounded. Guerrillas of the Iranian-backed Hezbollah, or Party of God, hit back, targeting Marjayoun, provincial capital of Israel's self-styled "security zone" in southern Lebanon.

The artillery exchanges marked a fourth day of hostilities between the Israelis and Hezbollah. They came a day after Israeli warplanes blasted Hezbollah bases in Bekaa and in the south. The police put the casualty figure of the two raids at 13 killed and 25 wounded. Funerals organized by Hezbollah were held for the victims in Beirut and Baalbek.

Kurdish Election Ends in Dead Heat

IRBIL, Iraq (AP) — Three days after the Iraqi Kurds' first democratic elections, the electoral commission announced Friday that the two major parties had ended in a dead heat, each winning nearly half the seats in parliament.

The commission also said run-off elections would be held for the supreme leadership of the Kurds. Neither of the two main rivals — Massoud Barzani of the Kurdistan Democratic Party and Jalal Talabani, head of the Patriotic Union of Kurdistan — captured an absolute majority.

The two main parties each received 50 seats among the 105 in the national assembly. Five additional seats were divided between the two Assyrian minority groups. None of the five smaller parties got even the minimum 7 percent of the vote needed to enter parliament.

China Releases 3 Catholic Clerics

HONG KONG (AP) — China has released three elderly Catholic clerics who had been serving prison sentences for "counterrevolutionary activities," a Hong Kong-based human rights activist said Friday.

Bishop Peter Liu Guandong, 72, and the Reverend Wang Yijun, 75, were released six months before completing their most recent sentences. The Reverend Joseph Jin Dechen, 72, was released on parole two years before his 15-year term was to have ended. The three men have each spent about two decades in prison.

The releases do not necessarily reflect a growing tolerance for religion from the Chinese Communist government, said the activist, John Kamm. According to a document from the Ministry of Justice circulated by Mr. Kamm, the three were released because "they were over 70 years old and had no one to look after them."

Print Strike Averted in Germany

NUREMBERG (AP) — Employers on Friday agreed to mediated 5.8 percent wage increases for print industry workers, averting a threatened strike by the printers' union.

The IG Medien union, representing 225,000 members, had asked for 11 percent increases, while employers originally offered 3.3 percent. Following a settlement by the IG Metall metalworkers union on Monday, on *increases totaling 5.8 percent, print employers said they would consider a* similar contract.

After 14 hours of meetings on Thursday, the mediator, Heinrich Reiter, who is head of Federal Social Court in Kassel, proposed a 12-month contract with 5.8 percent increases. His proposal was immediately accepted by the printers' union. Employers agreed the next day.

Fraud Charges Cloud Philippine Vote

MANILA (AP) — Fidel V. Ramos predicted Friday that he would be named winner of the presidential election, but an election official said fraud had been discovered in three areas where the former defense secretary is ahead.

His rival candidate, Miriam D. Santiago, who first raised corruption allegations, had announced that she would begin a liquid fast — "to the death if necessary" — to protest fraud in the May 11 election. She said she would enter a hospital and take only liquids until President Corazon C. Aquino put a halt to the vote-count irregularities.

With 57 percent of the votes counted, Mrs. Santiago has dropped to third place behind General Ramos, and Eduardo Cojuangco, a close ally of former President Ferdinand E. Marcos. Mrs. Aquino's chief aide, Franklin Drilon, acknowledged that there had been scattered fraud, but he said it was not enough to affect the outcome.

For the Record

A former Italian justice minister proposed as the nation's next president failed to rally enough votes in parliament Friday as the 14th round of voting for a head of state ended in disarray. Giuliano Vassalli, a Socialist, won only 351 votes, even though the four parties of the outgoing governing coalition pledged to support him. They control 538 votes together. *(AP)*

TRAVEL UPDATE

Airlines Warn EC on Effect of VAT

LISBON (Reuters) — Airline officials warned the European Community on Friday that VAT, or value added tax, on passenger flights would cause ticket prices to increase.

VAT now is only payable on domestic flights in EC countries. But in the EC single market from 1993, all flights between the EC states will become domestic flights, and would possibly be liable to VAT.

Nigerian air controllers suspended a strike Friday that has paralyzed the country's airports since Monday after the government, facing widespread unrest, promised to discuss their grievances. *(AFP)*

Koreas Clash At the DMZ, 3 Are Killed

By James Sterngold
New York Times Service

TOKYO — North and South Korean soldiers fought Friday in their first serious clash in recent years, as three North Koreans were killed after they crossed to the southern part of the Demilitarized Zone and two South Koreans were wounded, United Nations and South Korean officials said Friday in Seoul.

The surprise announcement shattered a relatively long period of improving relations at the one place in the world where the Cold War remains a threatening reality.

Details of the encounter along the heavily armed and well-patrolled border were sketchy, but military officials made it clear that they regarded it as an attempt by the North Korean soldiers to infiltrate the South.

An official at the UN Command in Seoul, under whose auspices the United States and South Korean military operate, said the North Koreans were wearing South Korean-style uniforms, including rank and insignia, and were carrying U.S. and South Korean weapons. Some sources also said the North Koreans were carrying surveillance equipment, including cameras and audio and video recorders.

It was a return to a pattern of aggressive North Korean behavior that the officials said had not been seen in at least six years, long before the two sides began holding high-level talks to thaw their relations and edge closer to a reunification of the divided peninsula.

A South Korean squad, comprising 10 soldiers, spotted the three North Koreans at about 11:30 A.M. in an area known as Chulwon, near the central part of the 2.5-mile-wide DMZ.

A brief but fierce battle began with light weapons. Two of the North Korean soldiers were killed immediately, the officials said, and the third was tracked down and killed as he attempted to flee back to the north.

Danes Cancel EC Rally Over Fears of Violence

The Associated Press

COPENHAGEN — A *rally for a* Danish "yes" in the June 2 referendum on the European Community union was canceled Friday because of fears of violence by leftist opponents.

The rally, organized by the youth wing of the National Federation of Trade Unions, had been planned for Friday in the Copenhagen Town Hall Square. Handbills distributed this week by leftist groups called for a demonstration against the rally.

DEATH NOTICE

We regret to announce the death of
Mr. Alfred DAOUD.

A memorial service will be held at the American Church, 65, quai d'Orsay, 75007 Paris on 25 May 1992, at 14 h. Mr. DAOUD requested contributions be made in his name to the American Church in Paris in lieu of flowers.

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:30 a.m. / Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 02940-15316 or 02503-41399.

DUSSELDORF

CHRIST CHURCH (Anglican) S.S. and Services 11:00, All Denominations are welcome. Rotterdam Str. 135, Tel. 0211/452759

FRANKFURT

CHRIST THE KING. (Episcopal/Anglican). Sebastian-Rinz-str. 22, U1,2,3 Miquel-Allee. Sun. Holy Communion 9 & 11 a.m., Sunday School and Nursery 10:45 a.m. Concert of English Choral and Instrumental Music on Sat. May 23 at 7:30 p.m. The Revd. David Ratcliff (069) 55 01 84.

HOLLAND

INTERNATIONAL CHURCH. Badhoevedorp, Holland. Tel.: 020-6592922.

MUNICH

INTERNATIONAL COMMUNITY CHURCH, Evangelical, Bible Believing, services in English 4:15 p.m. Sundays at Enhuber Str. 10 (U2 Theresienstr.) (089) 850-8617.

PARIS and SUBURBS

THE AMERICAN CATHEDRAL (Episcopal-Anglican). Sun. 9 & 11 a.m. Sunday School for children and nursery care at 11 a.m. 23 ave. George V, Paris 8. Tel.: 47 20 17 92. Metro: George V or Alma-Marceau.

HOPE INTERNATIONAL CHURCH (Evangelical). Sun. 9:30 a.m. Hotel Orion. Metro 1 : Esplanade de La Défense. Tel.: 47.73.53.54 or 47.75.14.27.

SAINT JOSEPH'S CHURCH (Roman Catholic). Masses Sat. Evng. 6:30 p.m., Sun. 9:45, 11:00 a.m., 12:15, 6:30 p.m. 50 avenue Hoche, Paris 8th. Tel.: 42.27.28.56. Metro: Charles de Gaulle - Etoile.

MONTE CARLO

INT'L FELLOWSHIP, 9 Rue Louis Notari, Sunday School 9:45, Sunday Worship 11 a.m. & 6 p.m. Tel.: 93.25.51.51.

TOULOUSE

HOPE INT'L CHURCH, Evangelica and for everyone. Sunday 7 p.m. Sofitel Hotel Toulouse Blagnac Airport. Tel.: 61.86.91.22.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

EUROPEAN BAPTIST CONVENTION

ATHENS

TRINITY INTERNATIONAL BAPTIST CHURCH, 58, Vouliagmenis Ave. Ano Helinikon. S.S. 9:45. Worship at 11:00 a.m. and 7:30 p.m. Tel.: 01-962-2665 for directions.

BERLIN

INTERNATIONAL BAPTIST CHURCH, BERLIN, Rothenburg str. 13, 1000 Berlin 41 (Steglitz). Bible study 10.45, worship at 12.00 and 19.00 each Sunday. Charles A. Warford, Pastor. Tel.: 030-774-4670.

BONN/KÖLN

THE INTERNATIONAL BAPTIST CHURCH OF BONN/KÖLN, Rheinau Strasse 9, Köln. Worship 1:00 p.m. Calvin Hogue, Pastor. Tel.: (02236) 47021.

BRUSSELS

INTERNATIONAL BAPTIST CHURCH of Brussels welcomes you to join our English-speaking, Christ-centered fellowship with an active Youth Ministry located near the international airport. Sunday School and Bible Study 9:45 a.m. Worship Service 11:00 a.m. and 6:00 p.m.-Lange Eikstraat 78, 1970 Wezembeek-Oppem, 02/731.12.24-Pastor Ulrich Dolder.

BUDAPEST

International Baptist Fellowship. II Bimbo u. 56 (main entrance Tapolcsanyi u. 7, immediately behind front entrance). 10:30 Bible study. 6:00 p.m. Frank Zedick, pastor. Tel.: 115 8759 & 115 6116. Reached by bus 11.

BULGARIA

INTERNATIONAL BAPTIST CHURCH, Sofia, Oboriste St. 103, Ent. B, Fl. 4, Apt. 17. Bible study 10:00. Worship 11:00. Tel.: 447075/704367.

CELLE/HANNOVER

INTERNATIONAL BAPTIST CHURCH, Friedenskirche, Kiemannstr. 15, Celle, SS 12:45, Worship 14:00. 30 min. Drive, 20 min. By train from Hannover. Walking distance from Celle train station. Contact Andy Earl. Tel.: 05141-36735.

DARMSTADT

DARMSTADT/EBERSTADT BAPTIST MISSION. Bible study & Worship Sunday 10:30 a.m. Stadtmission Da-Eberstadt, Bueschelstr. 22. Dr. Brian Everett, pastor. Tel.: 06187-91683 (pastor) & 06151-68702 (deacon).

DÜSSELDORF

INTERNATIONAL BAPTIST CHURCH. English. s.s. 10:00, worship 11:05. Children's church and nursery. Meets at the International School, Leuchtenburger Kirchweg 2, D-Kaiserswerth. Friendly fellowship. All denominations welcome. Dr. W.J. Delay, Pastor. Tel.: 0211/400 157.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP Evangelisch-Freikirchliche Gemeinde, Bodenerstr. 11-18, 6380 Bad Homburg, phone: 06134-23278 or 06190-643350 serving the Frankfurt and Taunus areas, Germany. Sunday worship 09:45, nursery + Sunday-school 10:00, women's circle - Friday 09:30. Housegroups - Sunday + Wednesday 19:30. Pastor M. Levey, member European Baptist Convention. "Declare His glory amongst the nations."

BETHEL INTERNATIONAL BAPTIST CHURCH, Am Dachsberg 92, Frankfurt a.M. Sunday worship 11:00 a.m. and 6:00 p.m., Dr. Thomas W. Hill, pastor. Tel.: 069-549559.

HAMBURG

INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TABEA FESTHALLE, Am Isfeld 19, Hamburg-Osdorf. Bible Study at 11:30 & Worship at 12:30 each Sunday. Tel.: 040/820616.

HOLLAND

TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, warm fellowship. Meets at Bloemcamplaan 54 in Wassenaar. Tel.: 01751-78024.

KRAKOW

INTERNATIONAL BAPTIST FELLOWSHIP, ul. Wyspianskiego 4. First Sunday each month. 6:00 p.m. Gustaw Cieslar, coordinator. Tel.: 33 23 05 + 66 49 32.

MUNICH

INTERNATIONAL BAPTIST CHURCH OF MUNICH, Holzstr. 9 English Language Services. Bible study 16:00. Worship Service 17:00. Pastor's phone: 690 8534.

PARIS and SUBURB

EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rueil-Malmaison. An evangelical church for the English speaking community located in the western suburbs. S.S. 9:45; Worship: 10:45. Children's Church and Nursery. Dr. B.C. Thomas, pastor. Call 47.51.29.63 or 47.49.15.29 for information.

INTERNATIONAL BAPTIST FELLOWSHIP, 6:30 p.m., 123 av. du Maine. M° Gaîté. Near the Tour Montparnasse. The evening service of Emmanuel Baptist Church. Call 47.51.29.63 or 47.49.15.29.

WUPPERTAL

International Baptist Church. English, German, Persian. Worship 6 p.m., Friedenshort 64, Wuppertal - Ronsdorf. All denominations welcome. Hans-Dieter Freund, pastor. Tel.: 0202/4698384.

ZURICH

INTERNATIONAL BAPTIST CHURCH of Wädenswil (Zürich), Switzerland, Rosenbergstrasse 4. Worship Services Sunday mornings 11:00. Tel.: 1-252 6222.

EUROPEAN UNITARIAN UNIVERSALISTS

UNITARIAN UNIVERSALISTS will service, "Peace Talks" on Sunday, May 24th at 12 noon at the Foyer de l'Ame, 7 bis, rue du Pasteur-Wagner, 75011 Paris. Métro Bastille. Please us. Religious Education for children: (1) 39 55 60 08 or (1) 42 77 96 77.

BARCELONA. Apartado de Correos 27305, 08080 Barcelona, Spain.

BRUSSELS meet 2nd Sun. each month, Brussels. (32) 65-36-45-70.

COPENHAGEN tel.: (45) 42-89-4184.

FRANKFURT/WIESBADEN meet every Sunday at 1 p.m., Lindsay Air Station, Wiesbaden. (49) 611-823-673 or (49) 6129-9034 even.

GENEVA/BERN tel.: (41)-31-4438-08.

HEIDELBERG meets 2nd and 4th Sunday every month at 13:00 at Thompkins Barracks Chapel, Schwel, Schwetzingen. (49) 6222-7 3716 or (49) 6205-16486.

MUNICH meet 4th Sun. each month at 11 a.m. Building 311, room A4, Perlacher Forst Housing Area, Munich. (49) 89-28-23-26.

NETHERLANDS meet 4th Sunday each month at 11 a.m., International House, Rapenburg 6, Leiden. (31) 2946-1962 or (31) 71-121085 evenings.

PARIS the Unitarian Universalist fellowship of Paris meets at noon, Foyer de l'ame, 7 bis, rue du Pasteur Wagner, 75010 Paris (Metro Bastille), usually the 4th Sunday of each month. Tel: (33) 1-42-77-9677. Everyone is welcome.

FOR INFORMATION CONTACT: EUU c/o Becskenhazy, Thormannstr. 59, CH - 3005 Bern, Switzerland. Tel.: (41) 31-44-38-08.

ASSOC. OF INT'L CHURCHES IN EUROPE & MIDEAST

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

BONN

AMERICAN PROTESTANT CHURCH, Sunday School 9:30 a.m., worship 11 a.m., Kennedy Allee 150. Tel.: 0228 - 37 41 93

BRUSSELS

THE INTERNATIONAL PROTESTANT CHURCH OF BRUSSELS, Sunday School — 9.30 a.m. and Church — 10:45 a.m. Kattenberg, 19 (at the Int. School). Tel.: 673.05.81. Bus 95. Tram 94.

BUDAPEST

INTERNATIONAL CHURCH OF BUDAPEST. Sun. 10:30, Dist. I, Corvinter 8. Rev. G. Howard, tel/fax (36-1) 176-4518.

COPENHAGEN

INTERNATIONAL CHURCH of Copenhagen, 27 Farvergade. Vartov, near Rådhus. Study 10:15 & Worship 11:30. Jack Hustad, Pastor. Tel.: 31 62 47 85.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungen Allee 54 (U-Bahn 5), Sunday School 9:30, worship 11 a.m. Tel.: (069) 599478.

GENEVA

EV. LUTHERAN CHURCH of Geneva, 20 rue Verdaine. Sunday worship 9:30. in German 11:00 in English. Tel: (022) 310.50.89.

LONDON

AMERICAN CHURCH in London at 79 Tottenham Court Road, London W1, SS at 9:45 a.m. & worship at 11 a.m. Goodge street tube; Tel: (01) 580 2791.

INTERNATIONAL COMMUNITY CHURCH services at Rydens School, Hersham, Surrey. Sunday School at 10:00 and Worship at 11:00 a.m. Active Youth Program. Tel.: (0932) 868283.

MOSCOW

MOSCOW PROTESTANT CHAPLAINCY, UPDK Hall, UL. Ulofa Palme 5, bldg. 2. S.S. 10 a.m., Worship 11 a.m. Tel.: 143-3562.

OSLO

American Lutheran Church, Fritznersgt. 15 Worship & Sunday School 11 a.m. Tel.: (02) 44.35.84.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

PRAGUE

INTERNATIONAL CHURCH OF PRAGUE: English worship 11-15, Vrazova 4, Prague 5. Sunday School, creche, weekly bible study.

STOCKHOLM

IMMANUEL CHURCH, Kungstensg. & Birger Jarl, Friendly Christian fellowship. English, Swedish & Korean. 11:00. Tel.: 46-8 151225 & 309803.

WARSAW

WARSAW INTERNATIONAL CHURCH, Protestant English language expatriates, Sundays 11:00 a.m. (Sept.-May), 10 a.m. (June-Aug.). Sunday School 9:55 (Sept-May) Ul. Miodowa 21. Tel.: 43-29-70.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25. Tel.: (01) 2625525.

The Weather

Forecast for Sunday through Tuesday

North America

Sunday will be cool and mainly dry from Kansas City and St. Louis to Toronto and Montreal. Showers will cut the heat from Washington, D.C., to Boston. These areas will remain cool early next week. California will be hot away from the sea.

Europe

Unseasonable warmth will persist in north central Europe from Germany and Poland through Scandinavia from Sunday into early next week. London and Paris will stay dry, while a storm brings wet, unsettled weather to southeastern Europe.

Asia

Showery rains with a few heavy downpours will douse Japan Sunday into early next week. Korea will remain cool with a few showers. Some sunshine will warm Hong Kong and Taipei. Thunderstorms will erupt daily in Singapore and Manila.

Europe

	Today High C/F	Today Low C/F	Wx	Tomorrow High C/F	Tomorrow Low C/F	Wx
Algarve	22/71	14/57	pc	25/77	16/61	pc
Amsterdam	24/75	13/55	pc	24/75	11/52	pc
Ankara	17/62	7/44	t	17/62	6/43	r
Athens	26/79	16/61	pc	24/75	14/57	pc
Barcelona	24/75	12/53	sh	26/79	12/53	pc
Belgrade	23/73	11/52	pc	21/70	13/55	pc
Berlin	23/73	7/44	s	24/75	11/52	s
Brussels	24/75	13/55	c	24/75	13/55	pc
Budapest	23/73	11/52	pc	18/64	10/50	s
Copenhagen	22/71	13/55	s	23/73	13/55	s
Costa Del Sol	26/79	12/53	pc	25/77	13/55	pc
Dublin	20/68	13/55	sh	18/64	12/53	sh
Edinburgh	18/64	11/52	pc	18/64	9/48	c
Florence	25/77	15/59	sh	25/77	14/57	pc
Frankfurt	24/75	13/55	pc	24/75	12/53	pc
Geneva	22/71	12/53	sh	21/70	11/52	pc
Helsinki	19/66	8/46	pc	22/71	7/44	s
Istanbul	19/66	10/50	sh	16/61	6/43	r
Las Palmas	29/84	17/62	s	29/84	17/62	pc
Lisbon	20/68	13/55	sh	25/77	16/61	pc
London	21/70	13/55	pc	23/73	13/55	sh
Madrid	26/79	12/53	sh	28/82	10/50	s
Milan	26/79	14/57	pc	24/75	13/55	pc
Moscow	13/55	3/37	pc	17/62	5/41	s
Munich	24/75	11/52	pc	26/79	13/55	pc
Nice	26/79	16/61	pc	26/79	13/55	pc
Oslo	24/75	12/53	s	22/71	11/52	s
Paris	26/79	13/55	sh	24/75	14/57	pc
Prague	22/71	11/52	s	22/71	10/50	s
Reykjavik	11/52	0/32	pc	12/53	0/32	pc
Rome	26/79	12/53	pc	26/79	13/55	pc
St. Petersburg	17/62	8/46	pc	21/70	9/48	pc
Stockholm	23/73	11/52	s	24/75	8/46	s
Strasbourg	24/75	14/57	c	24/75	13/55	pc
Tallinn	18/64	9/48	pc	22/71	8/46	s
Venice	26/79	13/55	pc	24/75	13/55	pc
Vienna	24/75	13/55	pc	21/70	12/53	pc
Warsaw	24/75	11/52	s	24/75	8/46	s
Zurich	22/71	12/53	c	19/66	9/48	pc

Middle East

	Today High C/F	Today Low C/F	Wx	Tomorrow High C/F	Tomorrow Low C/F	Wx
Beirut	22/71	13/55	s	21/70	13/55	pc
Cairo	31/88	14/57	s	29/84	13/55	s
Damascus	24/75	11/52	s	24/75	11/52	s
Jerusalem	25/77	11/52	s	26/79	13/55	s
Riyadh	40/104	21/70	s	40/104	21/70	s

Oceania

	Today High C/F	Today Low C/F	Wx	Tomorrow High C/F	Tomorrow Low C/F	Wx
Auckland	17/62	8/46	pc	17/62	8/46	pc
Sydney	18/64	12/53	pc	19/66	12/53	s

Asia

	Today High C/F	Today Low C/F	Wx	Tomorrow High C/F	Tomorrow Low C/F	Wx
Bangkok	38/100	29/84	t	38/100	29/84	pc
Beijing	30/86	17/62	pc	29/84	18/64	pc
Hong Kong	28/82	22/71	pc	27/80	22/71	pc
Manila	33/91	25/77	t	34/93	25/77	t
New Delhi	39/102	24/75	pc	39/102	24/75	pc
Seoul	20/68	7/44	sh	17/62	7/44	sh
Shanghai	28/82	17/62	pc	28/82	17/62	pc
Singapore	31/88	26/79	pc	32/89	26/79	pc
Taipei	28/82	18/64	pc	28/82	18/64	pc
Tokyo	23/73	17/62	r	22/71	14/57	r

Africa

	Today High C/F	Today Low C/F	Wx	Tomorrow High C/F	Tomorrow Low C/F	Wx
Algiers	25/77	14/57	pc	27/80	14/57	pc
Cape Town	22/71	10/50	pc	21/70	11/52	pc
Casablanca	34/93	14/57	pc	34/93	16/61	pc
Harare	22/71	11/52	pc	22/71	11/52	pc
Lagos	30/86	20/68	pc	31/88	20/68	pc
Nairobi	26/79	14/57	pc	27/80	14/57	pc
Tunis	26/79	13/55	pc	27/80	13/55	pc

Latin America

	Today High C/F	Today Low C/F	Wx	Tomorrow High C/F	Tomorrow Low C/F	Wx
Buenos Aires	11/52	6/43	pc	12/53	6/43	pc
Caracas	31/88	19/66	pc	31/88	19/66	pc
Lima	26/79	20/68	pc	26/79	20/68	pc
Mexico City	23/73	12/53	c	23/73	12/53	c
Rio de Janeiro	27/80	20/68	pc	26/79	20/68	pc
Santiago	17/62	7/44	pc	17/62	7/44	pc

North America

	Today High C/F	Today Low C/F	Wx	Tomorrow High C/F	Tomorrow Low C/F	Wx
Anchorage	18/64	8/46	s	17/62	3/37	pc
Atlanta	31/88	17/62	s	30/86	18/64	pc
Boston	32/89	20/68	s	26/79	12/53	sh
Chicago	22/71	9/48	sh	19/66	8/46	pc
Denver	18/64	8/46	s	24/75	11/52	t
Detroit	27/80	12/53	t	18/64	7/44	pc
Honolulu	29/84	21/70	pc	30/86	21/70	pc
Houston	30/86	22/71	t	30/86	21/70	t
Los Angeles	29/84	16/61	s	25/77	16/61	s
Miami	30/86	21/70	pc	30/86	22/71	pc
Minneapolis	19/66	9/48	pc	20/68	8/46	pc
Montreal	31/88	16/61	pc	19/66	7/44	s
Nassau	29/84	20/68	sh	29/84	21/70	pc
New York	33/91	20/68	s	26/79	12/53	t
Phoenix	33/91	21/70	pc	37/98	22/71	pc
San Fran.	29/84	13/55	s	29/84	13/57	s
Seattle	26/79	12/53	s	27/80	12/53	s
Toronto	27/80	16/61	t	17/62	7/44	pc
Washington	33/91	20/68	s	28/82	16/61	t

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice.

All maps, forecasts and data by Accu-Weather, Inc. ©1992

In California, Political Novices Awaken for Perot

By Dan Balz
Washington Post Service

OXNARD, California — Business is booming outside the Price Club discount warehouse store near the busy Ventura Freeway, and the hottest item these days is Ross Perot for president.

This is the heart of Perot country — white, suburban and upwardly middle-class — and the steady stream of people stopping to sign petitions to qualify the Texas businessman for the November ballot underscores the severe problems facing both President George Bush and Bill Clinton in California, a state crucial to the fall campaign.

Disaffection with Mr. Bush runs extremely deep in these Republican suburbs northwest of Los Angeles. Voters see him as a decent man but an ineffectual president. Interest in Mr. Clinton, the governor of Arkansas and the probable Democratic nominee, is virtually nil among these same people.

Those perceptions have helped propel Mr. Perot, who is preparing for an independent candidacy, to the top of opinion polls in California and elsewhere.

"I found myself listening to the news and to Bush, and I almost got down on my knees begging that he would say something that would make sense," said Marcia Hayden, 41, who helps run the Perot state office in nearby Ventura and whose husband Bob, 38, chairs the California petition drive.

"Then Perot came along and he was like a savior," Mrs. Hayden said.

The California grass-roots campaign began in the Haydens' kitchen and on their answering machine three months ago. It has been propelled by a powerful outpouring from political neophytes who distrust career politicians, like their politics squeaky-clean and see the untested Texan as "a fresh wind" and a man of achievement who can shake up Washington and give them back their government.

"This is the Silent Majority clearing its throat," said Frank Stark, 46, an entertainer who is part of the volunteer operation.

Even before declaring his candidacy, Mr. Perot has transformed the 1992 political landscape, and nowhere is that more true than in California. A Los Angeles Times poll of California voters published this week showed Mr. Perot with 39 percent, Mr. Clinton with 26 percent and Mr. Bush at 25 percent.

Those results follow on the support Mr. Perot received as a write-in candidate in primaries in Oregon and Washington state this week. In Oregon, exit polls indicated Mr. Perot got support in double digits in both the Republican and Democratic contests. In Washington, where almost 20 percent of the ballots cast in both party primaries were write-ins and 90 percent to 95 percent are believed to have gone to Mr. Perot.

Not everyone is sold yet on Mr. Perot. "I'm disenchanted with everybody, but I'm not going to vote for Ross Perot just because he's there," said John Cooley, 59, who passed up the opportunity to sign Mr. Perot's petitions. "They would eat him alive in Washington. He'd be hamburger."

But interviews with almost four dozen Perot volunteers or petition signers produced a revealing portrait of the grass-roots movement that has sprung up across the country — with clear guidance and financial support from Mr. Perot's Dallas office.

"Here you have people who have no allegiance to any political structure," said Bob Hayden. "I see this as the most unifying movement in my lifetime. Most people don't identify with the party structure. They're interested in true leadership."

He and other leaders of the California petition drive say they are well on the way to obtaining the 134,781 signatures needed by Aug. 7 to put Mr. Perot on the ballot, thanks to volunteers who span the political spectrum. The Ventura office includes Goldwater Republicans, Reagan Republicans, Bush Republicans, liberal Democrats, conservative Democrats and Libertarians.

What unites them? "I have three kids and I don't want to leave them worse off," said Bruce Maurer, a 45-year-old fire fighter. "I think he has that air of leadership. He's not a conservative or a liberal. He just takes them one at a time. That's what we need."

Demoralized by the gridlock in Washington and disconnected from the two political parties, many have never been involved in politics, but were drawn by Mr. Perot's direct appeals for help.

Jeanne Kim/Reuters
Ross Perot applauding as a box of petitions in support of his candidacy were delivered to the Kentucky state house in Frankfort.

In Washington, Republican Pros Are Taking Aim

Compiled by Our Staff From Dispatches

WASHINGTON — The president's men are becoming more vocal in their worry that Ross Perot's independent candidacy will spoil the re-election prospects of George Bush.

After first ignoring Mr. Perot, they are now attacking him in what appears to be the start of an orchestrated campaign to reduce the Texas businessman's popular appeal.

The House Republican leader, Robert H. Michel of Illinois, described Mr. Perot's rise as "frightening." He told a Republican breakfast group that Mr. Perot's message that "democracy isn't working" has been heard often and is "sometimes sinister and sometimes just silly."

Mr. Michel assailed Mr. Perot as a "demagogue" who could bring "authoritarianism in America."

The minority leader's attack on the man he called "this barefoot billionaire from Texas" was the most strongly worded from a senior official of either party on Mr. Perot, who is expected to launch a self-financed independent bid for the presidency next month.

Mr. Michel was later supported by Marlin Fitzwater, the White House spokesman, who said that a vote for Mr. Perot would be supporting "a pig in the poke and a dangerous and destructive personality."

Mr. Perot's refusal to spell out his positions on major issues has made it difficult for both party campaigns to criticize him, Mr. Fitzwater said.

"But being afraid of the unknown may soon make people ask, 'What kind of monster are we buying here?' " he said.

Mr. Michel said his attack was not prompted by the White House or by officials of Mr. Bush's re-election campaign.

But he said that the Perot candidacy could mean trouble for Mr. Bush. Mr. Michel said the president must "lift this campaign out of the rut it has drifted into and tell the American people what is at stake."

Mr. Michel delivered his warning as some national opinion surveys showed Mr. Perot leading Mr. Bush and Governor Bill Clinton of Arkansas.

Mr. Michel decried what he called "the simple answers, the glib reply, the just-folks image, the demagogue's gift for oversimplification."

"In this century we have seen what such mountebanks have done when they gained power," he said. *(WP, LAT)*

Brazil's News for Earth: Loss of Amazon Rain Forest Is Slowing Steadily

By James Brooke
New York Times Service

MARACA, Brazil — Bright green manioc plants sprouting among charred tree trunks and a constant hammering and sawing on house frames are signs that a new colony of homesteaders has arrived in this remote corner of the Amazon, an area covered only a year ago by tropical rain forest.

"I worked all my life as a sharecropper, now I have my own land," Antonio Rodrigues dos Santos, 30, a migrant from the impoverished northeast, said with satisfaction.

With bulldozers standing by to resume road work when the dry season begins in June, the number of houses in the new town of Maraca is expected to jump this year from 5 to 120.

Also in June, almost 3,200 kilometers (2,000 miles) south of Maraca, 100 world leaders will meet in Rio de Janeiro for the so-called Earth Summit. To polish its environmental image, Brazil volunteered to serve as host of the meeting, officially titled the United Nations Conference on Environment and Development.

Now, Brazil is expected to point to statistics charting a steady fall in Amazon deforestation rates.

But as the desolation in the Maraca area attests, the problem endures, fueled by commercial logging interests, a regional yearning for economic development and a land hunger among refugees from Brazil's poverty bowl, its overpopulated northeast.

After weathering heavy criticism over Amazon destruction in the late 1980s, Brazilians will issue statistics next month that indicate a 63-percent drop in annual deforestation rates in Brazil's Amazon since 1985.

Encouraged by the numbers, Brazil recently reversed its position and decided to back adoption of a "Statement of Principles on Forests" at the Earth Summit.

Based on analysis of photographs taken by Landsat 5 satellites over the Amazon, researchers at Brazil's National Institute for Space Research calculate that the annual deforestation rate dropped from a high of about 30,000 square kilometers (11,580 square miles) in 1985 to 11,000 square kilometers in an annual period ending in August last year.

"If last year's rate remains unchanged, it would take us 330 years to finish off the Amazon," said Luiz Gylvan Meira Filho, who directs the program at the institute near São Paulo. Seen as a pioneer in deforestation documentation, the institute is training research teams for the seven other nations of the Amazon basin — Suriname, Guyana, Venezuela, Colombia, Ecuador, Peru and Bolivia.

Brazilian and U.S. scientists attribute the decline in forest burning rates to a series of factors: the suspension of tax incentives for ranching and logging projects in the Amazon, a sharp decline in the Brazilian economy, a public information campaign coupled with fines levied against violators of forest laws, and rainfall during burning seasons.

"I have no reason to doubt the numbers," Philip M. Fearnside, a U.S. ecologist in Manaus and a frequent critic of Brazilian government policies, said. "The main reason for the drop in burning is the economy."

Mr. Fearnside calculated that about 10 percent of the forest cover of Brazil's Amazon has been removed. Measuring 5 million square kilometers, Brazil's portion of the Amazon — 60 percent — stretches over a land mass equal to the United States east of the Mississippi.

But with so much of the Amazon forest area gone up in smoke last year, scientists warn that dangers to the forest are still strong, especially at the edges.

U.S. Cuts Europe and Asia Bases

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. military will reduce operations or close installations at 61 additional sites in Europe and 2 in South Korea, the Defense Department announced Friday.

The largest site affected in Europe is Peden Barracks in Wertheim, Germany, which is closing.

Two other German sites, Pond Barracks in Amberg and Robinson Barracks in Stuttgart, are being reduced, the Pentagon said in a statement outlining its latest cutbacks.

The European reductions will affect about 6,000 military personnel, 800 U.S. civilians and 2,500 local nationals.

The locations in South Korea where operations will be ended or reduced are Songso and Camp Ames. They will affect 246 military positions, 6 U.S. civilians, and 257 local nationals, the statement said.

When the United States ends its military operations at a base or small facility, control of the installation is returned to the host nation. When operations are reduced, some facilities are retained.

(Reuters, AP)

Following is a list of military installations involved:

BELGIUM: (Closings) Hahn, Sugyn Ammunition Storage, Sedan.

BRITAIN: (Closings) RAF Burtonwood, Warrington, RAF Upper Heyford, Clayhill Family Housing Annex, Reading, RAF Caerwent, Chepstow.

Naval Communications Station, Thurso: Aberdeen, Cairnmore Hilloch, Inverberie, Latheron and Mormond Hill Antenna Sites. Burnside Thurso Family Housing. Harland Road Castletown Housing. Ormlie Housing Site. Scrabster Family Housing Storage.

GERMANY: (Closings) Buchenbüren Waste Annex. Hahn, Kastellaun and Kirchberg Family Housing Annexes. Koblenz. Hahn Water System Annexes 1 through 6, Trier. Rhaunen Family Housing Annex, Idar-Oberstein. Basdahl Communications Annex, Bremervörde.

Baumholder Tactical Defense Missile Facility. Rose Training Area and Teufelsberg Communications Facility, Berlin. Griesheim Missile Facility, Darmstadt. Büren Communications Facility. Giessen Ammunition Area and Communications Facility. Herborenseelbach Communications Facility. Mt. Meissner Radio Relay Station, Eschwege.

Peden Barracks, Wertheim. Siegelsbach, Sögel. Münster. Flensberg, Düllmen, Hammünkeln, Günzburg and Kellinghausen Communications Facilities. Roth Training Area. Grafenhausen. Bleidorn Kaserne, Ansbach, and Heilbronn Training Area, both previously announced as reducing operations.

(Reductions) Aschaffenburg Family Housing. Pond Army Barracks, Amberg. Robinson Barracks, Stuttgart. Lemberg Missile Station and Training Area, Salzwoog.

GREECE: (Closings) Agryroupolis and Perivolaki Sites, Hellenikon Air Base, Elevsis Storage Annex.

ITALY: (Closings) Codogne and Oderzo Communications Sites, Portogruaro Site.

NETHERLANDS: (Closing) Steenwykerwold Communication Facility.

SPAIN: (Closing) Inoges Bachelor Housing Annex, Cafatayud.

SOUTH KOREA: (Closings) Songso, Camp Ames.

TURKEY: (Closings) Calcmakli Headquarters Complex, Ortakoy, Corlu, Erzurum and Izmit Remote Sites.

AMERICAN TOPICS

Doctors Averaged $164,300 in 1990

The pretax incomes of American doctors rose 5.5 percent in 1990 to an average of $164,300, the American Medical Association reports. The increase was less than the 6.1 percent inflation rate. But Charles Inlander, president of the People's Medical Society, which fights for lower medical costs, said, "It's another example of another year of gouging when everyone else is hurting."

Doctors said their incomes are justified by their long hours and the costs of medical school and keeping up with medical developments.

"I leave home every morning at 6:30, and I try to make it home for dinner by 7 — and I don't always make it," said Dr. Tom Reardon, a general practitioner in Portland, Oregon, and a trustee of the medical association. "Some doctors work 80 to 90 hours a week, they're on call every night, and that's why they earn what they do."

Doctors worked an average of 58.8 hours a week, the AMA found, up from 57.5 hours in 1984, and took five weeks' vacation. The average before-tax income of $164,300 was calculated after deducting $150,000 in expenses, the average amount doctors paid for staff, insurance, rent and supplies.

Net income differed greatly by specialty. Surgeons led at $236,400 on average, followed by radiologists ($219,400), anesthesiologists ($207,400) and obstetricians and gynecologists ($207,300). General and family practitioners averaged $102,700, pediatricians $106,500.

Short Takes

"Travelers' Cheques for Two" have been introduced by American Express, The Washington Post reports. This allows two travel companions — husband and wife, parent and child, friends or any other combination — to use the same set of checks. The new checks have two signature lines in the upper left corner, but only one of the travelers has to be present to sign them at the time the checks are bought. American Express urges that the second authorized user sign them as soon as possible thereafter. Then either traveler can use the check, with only one signature necessary for cashing. The checks are available wherever American Express traveler's checks are sold.

An airliner hijacking note brought a 30-year prison term for Curley L. Compton Jr., even though he insisted it was a joke. "I've been railroaded," he told the federal judge who sentenced him in San Diego. His lawyer said he would not be eligible for parole for at least 25½ years. According to testimony, Mr. Compton gave a note to a flight attendant in which he claimed to have a bomb, demanded $13 million and a landing in Cuba. The Associated Press said his sentence resulted in part from his long record, dating to 1949 and including charges of petty theft, burglary and drunken driving.

Veterinarians are complaining that a new film, "Beethoven," is politically incorrect because of the way it portrays them. The movie, which is about a troublesome St. Bernard dog, includes a veterinarian who schemes to steal dogs to be used in medical research. Such a scenario is "irresponsible in today's climate of violence against biomedical researchers," said Dr. Gerald L. Johnson, president of the American Veterinary Medical Association. He said he has written letters of complaint to the movie's executive producer, Ivan Reitman, and to the Motion Picture Association of America. The co-producer of "Beethoven," Joe Medjuck, said, "I don't think anyone suggests all vets are evil."

As part of a promotion, the Memphis Chicks of minor-league baseball's Southern League will give two fans an expenses-paid trip to Paris and Moscow. That's Paris, Tennessee, and Moscow, Tennessee.

Arthur Higbee

U.S. Will Stop Picking Up Haitian Refugees in the Caribbean

By Clifford Krauss
New York Times Service

WASHINGTON — With refugee centers at Guantánamo Bay Naval Base filled to capacity, the United States has decided that the Coast Guard will no longer pick up all the Haitians fleeing their country in rickety boats for the United States.

The Coast Guard said that people in boats bobbing in Caribbean waters would be asked first to return to Haiti. But it acknowledged the possibility that more Haitians might sail to Florida, risking drowning and posing new problems for U.S. officials who worry that a tide of refugees will overwhelm the state's social services.

The policy, announced Thursday, was described as part of a re-examination of the administration's procedures for Haitian refugees. It reflected a growing feeling among officials that the embargo against Haiti was accomplishing little more than the ruination of the country's economy. That, in turn, was motivating masses of poor people to emigrate.

Officials said they feared that in picking up the refugees just off the Haitian coast the United States was encouraging more and more Haitians to flee.

"Our hope is that people won't put to sea and risk their lives," said Richard A. Boucher, a State Department spokesman.

Under the new Coast Guard procedures, if a ship commander decides that a boatload of refugees is in no "imminent danger" — that the vessel is strong enough and contains enough food and water for the voyage to Florida — he will not pick them up.

The Coast Guard announcement occurred shortly after Pentagon officials decided they could not accept any more refugees at the tent camps at the naval base at Guantánamo Bay, Cuba, because of the strain on its water, electrical and sewerage systems.

Guantánamo Bay Naval Base, where the Coast Guard has housed nearly 250 new refugees a day in recent weeks, reached it maximum capacity after three Coast Guard cutters unloaded 1,635 Haitians picked up at midweek.

More than 12,000 refugees are currently crammed into the base, including 1,100 who have been denied asylum and are awaiting their return to Haiti. More than 100 a day are processed and forcibly returned every day.

Press and Pentagon Set Reporting Rules

By Howard Kurtz and Barton Gellman
Washington Post Service

WASHINGTON — Military officials and major news organizations have agreed on a set of guidelines for war coverage that media executives hope will lift many of the restrictions that hampered them during the Gulf War.

After eight months of negotiations, the Defense Department, press associations and senior officials from 20 news organizations agreed that "open and independent reporting" will be the "principal means" of coverage in future wars.

News organizations were repeatedly frustrated during the Gulf War by the military's insistence that combat coverage be limited to small pools of reporters whose movements were controlled by the Pentagon. The nonbinding guidelines say that such pools will be disbanded "when possible" 24 to 36 hours after a military conflict begins, but can still be used for "specific events."

In a setback for the press, however, the Pentagon refused to drop its insistence on reviewing all stories from the battlefield before they are published. In the Gulf, some journalists charged that reports embarrassing to the Pentagon were changed or delayed for reasons unrelated to military security.

A Pentagon spokesman, Pete Williams, said: "The military believes it must retain the option to review news material to avoid the inadvertent inclusion in news reports of information that would endanger troop safety or the success of a military mission. Any review system would be imposed only when operational security was a consideration."

Mr. Williams said he was pleased at the agreement on "a set of principles that will help us both do our jobs better in the future."

Stanley Cloud, Time's Washington bureau chief, said the agreement "requires an act of faith on our part that the Pentagon negotiated in good faith, and I assume they did. But I am not naive and I don't assume there won't be continued tugs of war between the Pentagon and the press. This is certainly not the Ten Commandments, or even the Bill of Rights."

One key provision says that when government facilities are not available to transmit stories, journalists will be allowed to file "by any other means available." Dozens of reporters in the Gulf War complained that their reports were lost or delayed by a complicated military relay system and that they were not allowed to use their own satellite phones or fax machines to file their stories.

Those endorsing the nine principles included The Associated Press, The Washington Post, The New York Times, the Los Angeles Times, ABC, CBS, NBC, CNN, the American Society of Newspaper Editors, American Newspaper Publishers Association and the Radio and Television Directors Association.

'I am not naive and I don't assume there won't be continued tugs of war between the Pentagon and the press. This is certainly not the Ten Commandments, or even the Bill of Rights.'
Stanley Cloud,
Washington bureau chief of Time

The principles of wartime news coverage are as follows:

- Open and independent reporting will be the principal means of coverage of U.S. military operations.
- Pools are not to serve as the standard means of covering U.S. military operations. Pools may sometimes provide the only feasible means of early access to a military operation. Pools should be as large as possible and disbanded at the earliest opportunity — within 24 to 36 hours when possible. The arrival of early-access pools will not cancel the principle of independent coverage for journalists already in the area.
- Even under conditions of open coverage, pools may be appropriate for specific events, such as those at extremely remote locations or where space is limited.
- Journalists in a combat zone will be given credentials by the U.S. military and will be required to abide by a clear set of military security ground rules that protect U.S. forces and their operations. Violation of the ground rules can result in suspension of credentials and expulsion from the combat zone of the journalist involved. News organizations will make their best efforts to assign experienced journalists to combat operations and to make them familiar with U.S. military operations.
- Journalists will be provided access to all major military units. Special operations restrictions may limit access in some cases.
- Military public affairs officers should act as liaisons but should not interfere with the reporting process.
- Under conditions of open coverage, field commanders should be instructed to permit journalists to ride on military vehicles and aircraft whenever feasible. The military will be responsible for the transportation of pools.
- Consistent with its capabilities, the military will supply public affairs officers with facilities to enable timely, secure, compatible transmission of pool material and will make these facilities available whenever possible for filing independent coverage. In cases when government facilities are unavailable, journalists will, as always, file by any other means available. The military will not ban communications systems operated by news organizations, but electromagnetic operational security in battlefield situations may require limited restrictions on the use of such systems.
- These principles will apply as well to the operations of the standing Department of Defense National Media Pool system.

Riot Damage In L.A. Put At $1 Billion

By Albert B. Crenshaw
Washington Post Service

WASHINGTON — Insurers expect the Los Angeles riots to cost them at least $775 million, which would make it the fifth-worst disaster in the industry's history. Industry and public officials said the damage, including that to public facilities and uninsured property, will be well over $1 billion.

Insurers said they expect to receive 6,000 claims resulting from the disturbances, which began April 29.

"This estimate includes damage to buildings, equipment, vehicles, inventory, glass breakage, looting and business interruption," said Gary R. Kerney of the Property Claims Services division of the American Insurance Services Group, an industry organization.

Insurance adjusters have been evaluating losses and checking claims in Los Angeles for more than two weeks, so "we're pretty confident the $775 million will be an all-inclusive number," said Patricia Lombard of the Western Insurance Information Service.

The figure would place the riots behind the hurricane designated Hugo, which inflicted about $4.2 billion in losses on the industry in 1989; the Oakland fire last year, which cost $1.2 billion; the Loma Prieta earthquake of 1989, which cost $960 million; and a 1983 winter storm, which cost $883 million.

40 flights a week, come rain or shine.
JAL operates 40 flights between Europe and Japan every week.
JAL
Japan Airlines
A WORLD OF COMFORT

THAIS: *Leader Seems Set to Quit*

(Continued from page 1)

parliamentary seat in elections last March.

Public demonstrations over his appointment began almost as soon as General Suchinda was named prime minister last month, with protesters demanding he resign in favor of an elected prime minister. The protests turned violent on Sunday night, when security forces charged on what had been a peaceful march through the streets of central Bangkok.

The constitutional amendments drafted by the five political parties were submitted to parliament for debate Monday. Pro-democracy groups have said tens of thousands of their supporters will turn out in front of parliament to stand vigil.

The changes in the constitution had been sought by the nation's revered king, Bhumibol Adulyadej, who intervened Wednesday to try to stop the violence, asking General Suchinda and the leader of the pro-democracy movement, Chamlong Srimuang, to negotiate an end to the street clashes.

So long as the coalition parties hold to the promise made Friday, the amendments are virtually guaranteed to pass, since the coalition controls a majority of seats in parliament. If they do not pass, pro-democracy leaders have vowed there will be more, and larger, anti-government demonstrations across Thailand, raising the possibility of new bloodshed.

Human rights investigators and others spent the day trying to locate evidence of the killings, inspecting chest-high bullet holes in tree trunks and in building walls.

There were many bullet marks in the road near the Democracy Monument, suggesting that troops had fired not into the air as a warning — as military spokesman had once said — but at the crowds.

The nation's supreme military commander, Air Chief Marshall Kaset Rojananil, has insisted that the soldiers acted with restraint, and that "all Thai people are responsible together for the crisis."

OKINAWA: *A Cup of Bitter Tea*

(Continued from page 1)

religion of the island, a mix of animism and ancestor worship, was influenced by China, as was its music. Okinawa developed a highly esteemed textile industry, using plantain fiber rather than cotton or silk.

But Okinawa's economy lagged, largely as a result of policies formulated in Tokyo. In short, the world looked much different from this easygoing, seaside city than it did from Japan's main islands.

That was never more true than in 1972. In Tokyo, the reversion symbolized Japan's rehabilitation from the defeat of World War II and the beginning of a forward-looking era. But it came at a price, which Okinawa paid on Japan's behalf. Japan allowed the United States to keep its military bases here, a keystone in America's Cold War strategy in Asia.

Today, three-fourths of the American forces in Japan are on Okinawa, or more than 30,000 soldiers. The bases take up one-fifth of all the land on the main island here.

Okinawan officials acknowledge that the bases have brought economic benefits, since rent is paid on the land and the bases employ about 8,000 local people. At one time they dominated the economy, but now tourism is the leading industry and much of the base land could be developed far more profitably for resorts or other projects.

More important, the military sites are a nettlesome reminder that, as many here put it, the islands are occupied by a foreign power, sanctioned by Tokyo.

American troops took Okinawa in the last campaign of the Pacific war. Nearly a third of the residents, or almost 150,000 people, were killed as the Japanese forces chose to retreat directly through populated areas. Hundreds more were forced to commit suicide by the defeated Japanese. More than 12,000 American troops and 107,000 Japanese were killed.

After the war the Americans were, in most instances, generous with the Okinawans. Many here remember the occupation as a period of benign neglect.

Mr. Ota said the Okinawans were waging a battle on two related fronts. On the one hand, he said, the bases must be removed. He ran for office two years ago on a platform of total withdrawal of the bases, a fact that worried some of those celebrating in Tokyo last week.

In addition, the Okinawans insist they will fight to retain their special identity amid a culture that demands conformity.

Corsican Separatists Blow Up Resort Villas

The Associated Press

PORTO-VECCHIO, Corsica — Separatist guerrillas evacuated about 60 vacationers at gunpoint and blew up 30 villas at a resort in southern Corsica early Friday, the police said.

About 50 gunmen entered the resort late Thursday, rounded up the guests and took them to a house nearby before destroying the villas, the police said.

CORPS: *Deployment Set*

(Continued from page 1)

Treaty Organization and that German soldiers assigned to the so-called Euro-corps would not be subtracted from the allied force structure.

"The Americans often tell us we must do more for our own security," Mr. Kohl said. "This corps should be a reason to celebrate in Washington because Europeans are finally doing what they have been asked to do for a long time."

Mr. Kohl insisted that the presence of American troops in Europe was "desirable, necessary and important" to ensure peace and security on the Continent.

U.S. forces are being trimmed by more than half to a level of 150,000 by 1995, and there are calls in Congress for greater reductions.

Alluding to budgetary pressures in the United States, Mr. Mitterrand said it was only prudent for European countries to take more responsibility for their security.

"We don't want to see American troops leave," he said, "but who knows what decisions will be taken because of the economic difficulties facing the American leadership?"

The U.S. defense secretary, Dick Cheney, has given cautious approval to the formation of the French-German corps. But General John H. Galvin, the retiring supreme allied military commander, has warned that confusion could result unless NATO retained primacy in dealing with military crises affecting Europe.

While French and German officials say the Euro-corps is being designed to act beyond NATO's theater of operations, General Galvin said it was difficult to conceive of the European corps acting in a crisis in which NATO was not prepared to intervene.

Britain and the Netherlands have raised objections to the possibility that the Euro-corps would duplicate much of the work that NATO's existing infrastructure can fulfill and end up costing too much money at a time when all allies are seeking to cut military spending.

If the European allies commit a sizable number of troops to the Euro-corps just when politicians are pruning defense budgets, NATO officials fear the effort could undermine the alliance's military structure.

The primary missions of the French-German corps will be defending allied territory, serving as an international peacekeeping force and providing humanitarian aid. Each government must give its assent before the multinational force can be sent into action.

At the outset, the corps will consist of the joint 4,200-man brigade set up three years ago as a largely symbolic example of military cooperation.

The Associated Press

Italian workers lending a hand to three elderly Bosnian refugees making their way to shelter in Vigiteso, in Alto Adige, on Friday.

SERBS: *Muslim Slavs Rounded Up and Sent Off for 'Ethnic Purification'*

(Continued from page 1)

em reporters were kept from witnessing the roundup by Serbian soldiers at a roadblock on the eastern side of the Drina.

The soldiers said that they had been told to let no outsiders cross from Serbia into Bosnia at Zvornik from 1 P.M. to 2:30 P.M., the exact period, the Zvornik Muslims said later, when the Muslims were being loaded onto the truck.

Afterward, in their home in Zvornik, a Muslim family told of the sudden departure of Serbs from the town in the days before the evening of April 8, when Serbian militia units opened fire on the town's residential areas from across the Drina with tank cannon, mortars, and other weapons; of how Serbian militiamen swept into the town at dawn, rounded up Muslims, and killed groups of them, including at least 50 in one neighborhood near the town center; of how thousands of Muslims had to choose between trying to protect their homes without being killed or volunteering to join other Muslims being driven from the town.

Little of what they said could be independently verified, not even the accounts of the bulldozed mounds in a gravel pit by the Drina where hundreds of victims of the bombardment and executions were said by the Muslims to have been buried in the days after April 9. When militiamen spotted two Western reporters talking to local Serbs near the police headquarters, the reporters were escorted back across the Drina into Serbia and told not to come back.

Despite the lack of corroboration, there was much that suggested that the Muslims were not exaggerating. For one thing, while the Muslims seemed deeply frightened, their stories of actions against them by Serbian militias were told with a striking absence of animosity against Serbs in general.

Moreover, dozens of Western relief workers and reporters who have visited refugee centers farther west in Bosnia, and who have spoken to Muslim refugees from towns and villages along the Drina Valley, have been told similar tales of summary executions, of homes looted and burned, of cattle trucks carrying men, women, and children away.

While forced deportations have also been carried out by Muslim Slav and Croatian militias, adding thousands of Serbs to the refugee tide, the process appears to have been carried out more systematically, and on a wider scale, by the Serbs.

Their actions, and Serbia's support for them, have been condemned by the United States, the UN Security Council, the European Community, and with increasing anger by Muslim nations around the world, whose leaders, like President Turgut Ozal of Turkey, have argued for international military intervention of the kind the UN authorized after Iraq seized Kuwait in 1990.

But so far, little has been done, apart from the decision last week by the United States and the 12-nation European Community to withdraw their ambassadors from Yugoslavia, now composed only of Serbia and Montenegro.

The status of the Bosnian Muslims, who account for 44 percent of Bosnia-Herzegovina's 4.4 million people, took a turn for the worse on March 1, when Alija Izetbegovic, the Bosnian president, followed the lead of Croatia, Slovenia, and Macedonia in declaring Bosnia's secession from Yugoslavia.

While Serbian leaders in the republic continued to go through the motions of negotiating with other groups for the creation of an independent Bosnia composed of ethnic "cantons," Serbia, the Yugoslav Army, and Serbian militias in Bosnia began putting a plan into effect to carve up Bosnia on ethnic lines, with about two-thirds of the republic's territory to be seized for the Serbs.

The Serbs worked from an ethnic map. With arms and ammunition supplied by the army, and in many cases with the army fighting alongside them, Serbian militias seized a wide corridor of eastern Bosnia adjacent to Serbia, including towns with large Muslim populations like Bijeljina, Zvornik, Bratunac, Vlasenica, Visegrad, Gorazde, and Foca.

To this, they planned to add a northern corridor of Bosnia that would connect Serbia to Serb-held areas of Croatia, and to Serbian strongholds in northwestern parts of the republic around Bihac. In the southern Herzegovina region, they fought for Muslim towns like Mostar, apparently hoping to create another corridor connecting to southern Serbia and Montenegro.

The Serbian terror tactics are aimed at making a Serbian stronghold of a region where 78 percent of a population of about 450,000 people were Muslims, and only 10 percent Serbs.

The notion of harmony on the Drina has deep roots in the psyche of Yugoslavia, whose most celebrated 20th-century writer, Ivo Andric, wrote a novel, "Bridge on the Drina," that helped him win the Nobel Prize for literature in 1961.

The book is centered on Visegrad, and the 16th-century stone bridge across the river is a metaphor for the interwoven cultures, Serbian, Croatian, Turkish, Orthodox Christian, Roman Catholic, and Muslim, that have made the the town. In the Serbian offensive, Visegrad was one of the first towns to be seized, and its Muslims, like Zvornik's, are now mostly in refugee camps.

The Muslims in Zvornik built barricades, but their situation was strategically hopeless. Since Roman times, when the narrow gorge between what is now Serbia and Bosnia was first spanned by a bridge, Zvornik has been a prime target for invading armies.

The Romans, the Turks, the Austro-Hungarian forces in World War I, and the Germans in World War II, all seized the town. The Serbs completed the job in barely 12 hours. But their objective, more than occupation, was expulsion of the town's Muslim majority.

First, there was terror. One man in his 60s described how he watched the town's veterinarian, a Muslim, being machine-gunned along with other Muslims in front of the veterinarian's wife and daughter.

The man said that he had counted at least 50 bodies of Muslims in the gardens of homes back from Zvornik's main street, where four-story homes with steep roofs crowd against the towering escarpment of Vratolomac, the "neck-breaking hill" that overlooks the town.

The man said that one of the dead was a 17-year-old Serbian girl whose throat had been cut.

"She was slaughtered just because she asked them not to do anything to the Muslims," he said.

SANCTION: *U.S. Clampdown*

(Continued from page 1)

expected signing of a Strategic Arms Reduction Talks protocol on missile cuts.

Mr. Baker declined to say what additional measures might be taken, alone or with the Europeans.

"We have some ideas we will be discussing with our allies, and there may be some that we will decide to go forward with, whether we can bring the European Community along or not," he said.

Mr. Baker's warning of U.S. unilateral action marked a shift from the Bush administration's willingness until now to let the Europeans take the lead in dealing with the breakup of Yugoslavia. But it also could be a ploy to get the Europeans' attention and support.

The U.S. plan for Yugoslavia, according to a copy shown to Reuters in Brussels, includes withdrawing U.S. military attaches from Belgrade, expelling Yugoslav military attaches from the United States and terminating all military contacts between the two sides.

Washington will also pull some of its embassy staff out of Belgrade and close two consulates in Yugoslavia, the memo says.

EC countries and the United States have already recalled their ambassadors from Belgrade, and Washington on Wednesday stopped flights to the United States by the Yugoslav national airline, JAT.

It was unclear what recognition and acceptance of Bosnia by the United Nations would accomplish. The United Nations in the past week has withdrawn much of its staff from Sarajevo because of heavy fighting. The Sarajevo staff was to control the deployment of about 14,000 peacekeeping troops in Croatia.

The U.S. representative to the United Nations, Edward J. Perkins, said that if Serbia and Montenegro wished to sit in the organization, "they should be required to apply for membership and be held to the same standards as all other applicants."

"Specifically, they must prove to the members of the UN that the so-called Federal Republic of Yugoslavia is a peace-loving state," Mr. Perkins said.

Yugoslavia is represented at the United Nations by a charge d'affaires loyal to Belgrade. But many countries have informed the UN administration that they have not yet reached a decision on the legal status of the rump Yugoslav state.

Slovenia and Croatia declared their independence from the Yugoslav federation in June, while Bosnia-Herzegovina followed in March.

Fighting continued Friday in Sarajevo. Sniper and machine-gun fire echoed in the streets as President Alija Izetbegovic, a Muslim, began talks with commanders of the Serb-led army.

"The main question is whether the army is ready to leave its barracks in Sarajevo," said Hajrudin Somun, a presidential adviser. "If not, what is it up to?"

The Belgrade-based Tanjug news agency said Friday that the Serb-led Yugoslav Army had agreed to evacuate its four barracks in Sarajevo. The withdrawal was to begin on Saturday and be completed by Sunday evening, Tanjug's correspondent in Sarajevo reported.

The army, which has backed Serbian forces fighting Bosnian independence, says it is being prevented from leaving its barracks by a Muslim and Croatian military blockade.

Mr. Somun said the government feared the delay was intended to allow Serbian gunmen time to reach the barracks and take them over along with arsenals of heavy weapons.

(Reuters, AP)

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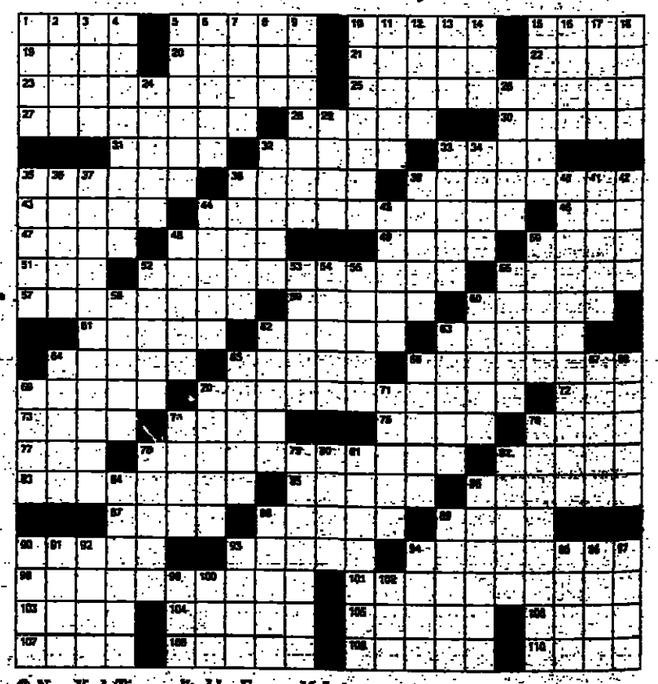

ACROSS
1 Hodgepodge
5 Plods through clods
10 Ecole event
15 Unit of illumination
19 Choir voices
20 Holy Ark's contents
21 Principle of good conduct
22 Newspaper section, for short
23 Farewell to a tot on the first day of school
25 Sweetheart's needless question
27 Venerated
28 Sidetrack
30 In honor of
31 Butts
32 Calls a halt
33 Norwegian river
35 Inflammation of tonsils
38 Frangipani, e.g.
39 Popular board game
43 Not qualified
44 Hood's decision re a payoff
46 Car makers' gp.
47 Virginia willow
48 Climb
49 Gaels' republic
50 Eye sore
51 ___ grass (meadow barley)
52 Statement from Liberace
56 Director Clair et al.
57 Underwater plant
59 Framework
60 Jourdan role in "The Swan"
61 Establish as true
62 Glazed fabrics
63 C3PO in "Star Wars"
64 Old, withered woman
65 "___ the Beasts and Children," Kramer film of 1972
66 Gave the cold shoulder
69 Gumlike
70 Flattery for the boss
72 Granada cheer
73 Barabaras
74 Actor Moses ___ of "Roots"
75 Where Reykjavik is: Abbr.
76 Narrow fillet
77 Banking abbr.
78 Muti's opinion of skat
82 Fortified
83 Indirect light
85 "___ up, wear it out" (New England maxim)
86 City on the Somme
87 Port in Libya
88 Of the bees
89 Crow
90 George Peppard's TV group
93 Close to, in poesy
94 Victoria, e.g.
98 Dream of every gold digger
101 Eloper's secret
103 Between quod and faciendum
104 Depended (upon)
105 Icelandic literary works
106 Old-time dill
107 Lady of Lisbon
108 Dix and Lee
109 Distributed
110 Actress Olin

DOWN
1 "The Poisoned Stream" author: 1969
2 Khan's namesakes
3 Nullify a correction
4 Latin name for a British isle
5 Abounding in stalks
6 Cam-wheel projections
7 Toward the mouth
8 Chew the fat
9 Ambulance-chaser, e.g.
10 Prepared the way for
11 Certain collars
12 Signed voucher
13 Source of the Ewing fortune
14 Surge
15 Type of house
16 Singer-guitarist Axton
17 Member of a Slouan tribe
18 What a cicerone conducts
24 Product used in baking
26 Monitor lizard
29 Sharpen
32 Mielziner design
33 Pale yellow: Comb. form
34 Dryad's home
35 Quantity of paper
36 Loosen
37 Woman's post-plastic surgery song
38 Knives: Slang
39 Peccaries
40 Dieter's song while looking at a sweets table
41 Stratum
42 Farm animals
44 "___ Life fi ti Anyway?": Dreyfuss movie
45 Fosters
48 Kind of driver
50 "Where men go at ___ day": Wharton
52 Wit of a sort
53 Quaker gray
54 Do Latin homework
55 That is, to Tacitus
56 Recall, in London
58 Sprouts
60 River rising in the Urals
62 "___ Brown," Jennifer Jones film
63 Desert shrub
64 Stab
65 Buddhist monk
68 Right, in Rostock
67 Terry or Drew
68 Gary Cooper role
69 Greek letters
70 Chinese councils
71 Polo play
74 Like the Reaper
76 Fresh and unusual
78 Chew
79 Brooke and Hughes
80 First dynasty in Chinese history
81 Acted
82 "And the Lord set ___ upon Cain": Gen. 4:15
84 Mountain peak in Calif.
86 Nab
88 Concerning
89 Very commonplace
90 Not arisen
91 Cicero's famous scribe
92 Richard of the screen
93 The month following Shebat
94 Closing passage in music
95 First-rate
96 Version of "Sweet Charity"
97 "Odds ___"
98 Gush
100 Nederlands
102 Ephicion

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Solution to Puzzle of May 16-17

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Yanks Are Coming, but Tight-Fisted

By Barry James
International Herald Tribune

PARIS — Like crocuses peeking out of the ground after a long hard winter, signs of an American tourist revival are starting to appear around Europe.

But anecdotal evidence indicates that while Americans are coming back, they are holding more tightly onto their wallets.

Unlike the flamboyant 1980s, before the Gulf War and the subsequent recession, nobody now is flaunting wealth, according to sources in the carriage trade.

But luxury hotels and restaurants in Paris, Rome and London say their older American clients are reappearing after a long spell of disease and slack business.

Jean-Claude Vrinat of the Taillevent restaurant in Paris said he was receiving 10 or 15 reservations daily by facsimile from the United States — from new clients as well as regulars.

"We haven't had as much demand for the last three years," he said.

Geoffrey Breeze, vice president of Hilton International Co., said the hotel business in Europe is reviving largely because American corporations "despite, or perhaps because of, the domestic recession, are re-establishing existing or developing new interests abroad."

But he said it was somewhat more difficult to see a similar resurgence in the leisure sector.

Clare Sheppard, of the luxury goods retailer Asprey Plc IN London, said demand by American buyers was picking up, "although I wouldn't call it hell-for-leather."

She said Americans coming into the store "have money, but they don't like to be seen spending it."

"It's going to be a long time before people get indulgent again," she said.

An American couple, she said, was admiring an expensive antique table in Asprey's recently. They could afford it, but wondered whether they should buy. "We can't," said the women. "What would our friends say?"

George L. Hern of the French government tourist office in New York said inquiries about vacations in France have increased in recent weeks — a sign, he says, of returning confidence in what is by definition the top end of the vacation market.

A spokesman for the Ritz Hotel in Paris said "familiar" American clients were reappearing in greater numbers. But he said there was a long way to go before Americans occupy 70 percent of the hotel's rooms, as they frequently did in the 1980s.

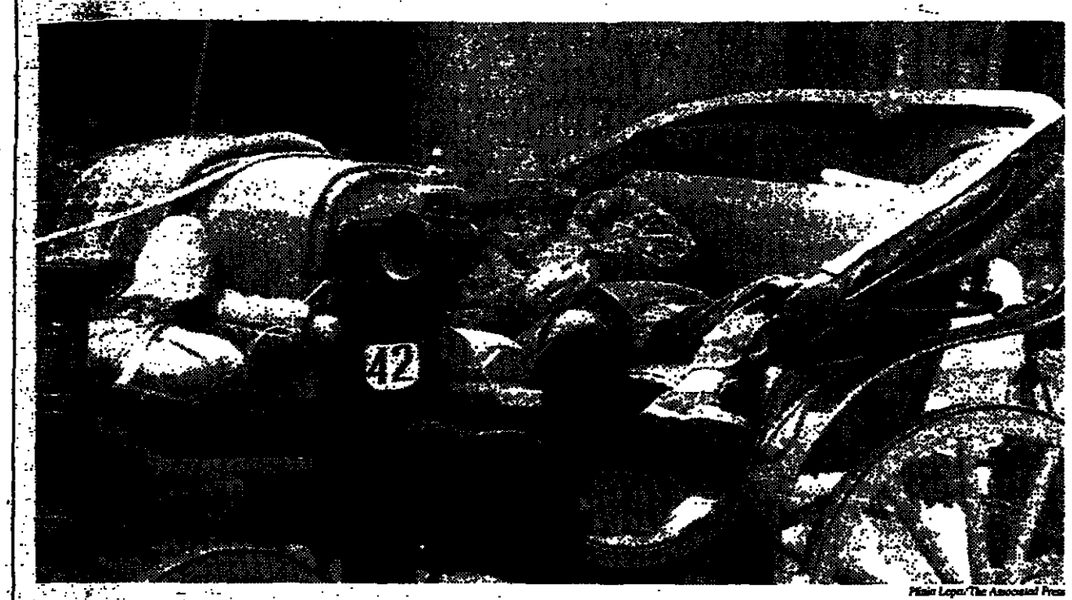
Gordon Bruce, a spokesman for the rare automobiles auctioneer Brook's of London, said there had been "considerable interest" from across the Atlantic in the company's next big sale in Monaco next week.

"The buyers are out there," he said, "but they are more discreet, more cautious. Nevertheless, the mood is definitely more optimistic."

Both Sotheby's and Christies' auction houses say American buyers are coming back to the market after sitting on their hands since the Gulf War. American private buyers predominated at Sotheby's sale of impressionist and modern paintings in New York earlier this month. It was, says the auction house, "the strongest sale since the fall of 1990."

Both auction houses say it is too early to say whether the trend in New York will carry over to their summer sales in London. But spokesmen said results in New York were an indication of returning confidence.

There appeared to be virtually no interest in Europe's depressed market for luxury real estate, even though prices have dropped by up to 30 percent. "There are no American big spenders in this market," said Donelle Higbee of Sotheby's in Paris. "I can tell you that for sure. They are very well advised by their bankers and lawyers, and they are not going to overspend."



Pilar Lopez/The Associated Press

A Roman carriage driver grabbing a quick snooze in the springtime sun as he waited for tourists to come after lunch.

LUXURY: *Big Spenders Alive Again, European Designers Find*

(Continued from page 1)

customers. The fear has been that the current recession is caused not just by a shortage of money but by lack of will — a change of heart toward consumerism in the 1990s. The sight of people out spending during a sunny Paris week thus gives a psychological boost to a nervous market.

At lunchtime one day this week on the Avenue Montaigne, Chanel had 11 Asian customers, three apparently making substantial purchases, and five Americans. Marie-Louise de Clermont Tonnerre, speaking for Chanel, said that in fact the shops in Paris and the rest of Europe were now selling primarily to a local, rather than overseas, clientele, and that it had noted that the Japanese customers were now spending less, probably because of changing cultural attitudes and a desire to spend money on leisure rather than consumer goods.

Most luxury companies cite London as the European city where the recession has been really hurting. Harrods, the Knightsbridge store, has now seen a "considerable surge" in business after the British election in mid-April, and it reports that business over Easter was 50 percent up on 1991. Michael Cole, director of public affairs for House of Fraser Holdings, which includes Harrods, said that Harrods' "Room of Luxury" was currently doing strong business with names such as Hermes and Cartier up 20 to 30 percent in turnover over last year.

"It is not true that designer labels don't count any more just because it is the caring '90s," Mr. Cole said, citing a Gianni Versace man's T-shirt at £75 that was a sellout. "If a luxury brand has been well-developed, customers will pay for it."

The billion-dollar luxury industry depends not on bright spots in flagship stores, but in healthy sales across the board and around the world.

Mr. Vindry assesses the international situation for Dior this way: "In the United States there is not a real reprise, but there is no further deterioration. We are overall 7 percent up, thanks to a 35-to-40 percent increase in Hawai, because of Japanese tourism. Japan is flat, with a 0.8 percent increase in the first quarter, but others in the Pacific region like Taiwan and Philippines are fine; Singapore is more difficult. And Europe is not so bad, apart from England."

Dior's net attributable profit rose 12.3 percent to 902 million francs in 1991, and its figures were echoed throughout the luxury empire to which Dior belongs.

Financiere Agache, the holding company which controls Dior, LVMH (Moet Hennessy-Louis Vuitton), Celine and Christian Lacroix, posted a 9.8 percent increase to 23.3 billion francs ($4.2 billion). At LVMH the rise in net profit was 10.7 percent to 3.7 billion francs. Profits on perfume, which were expected to have slumped drastically because of the virtual stop on duty-free sales during the Gulf War, in fact *rose* 37.7 percent to 636 million francs. According to chairman Bernard Arnault, this was primarily because of the introduction of two new top-selling fragrances: Dior's Dune and Givenchy's Amarige.

Yet, 1992 *might turn out* to be slower than 1991, as though the brakes applied during the Gulf War have only now brought the gravy train to a halt. LVMH announced last week a very sluggish first quarter with revenue up only 1.8 percent, although Mr. Vindry said that this is due to the champagne business and that Dior *parfums* is up 15 to 20 percent.

If the luxury industry is no longer on a roll, there are patchy signs of recovery. Mouclier, acknowledging a slowdown of sales in Japan over the last six months and the problems in the United States, suggest that Europe may be the healthiest market in 1992 in spite of a downturn in Germany.

"I am cautiously optimistic," he said. "But I don't really expect an upswing before 18 months or two years."

Bringing down the elitist prices of designer goods may be the real spur to recovery. Mr. Vindry concedes that Dior has lowered its boutique prices by around 25 percent to increase volume.

Weizsäcker Chided for Wealth Tax Suggestion

Reuters

BONN — President Richard von Weizsäcker of Germany was criticized Friday by members of Chancellor Helmut Kohl's Christian Democrats for proposing a wealth *tax to help finance reunification.*

The Christian Social Union, the conservative Bavarian sister party of the Christian Democrats, was particularly harsh *in its reaction.*

"Day-to-day politics are primarily the job of the government and not of the president," the Bavarian *interior minister, Edmund Stoiber,* said in Bonn.

Mr. von Weizsäcker, saying Germans had to share the burden, called Wednesday for an extra levy on income from shares, bonds, savings and insurance policies. In an interview with ZDF television, he said higher taxes and government deficits alone could not finance the investment in Eastern Germany.

The comments of the president, who is normally above party politics, were seen as another blow to the authority of Mr. Kohl's government. It has already been embarrassed by internal squabbling since the resignation of Foreign Minister Hans-Dietrich Genscher last month.

A Christian Democratic member of parliament, Heinrich Lummer, accused Mr. von Weizsäcker of siding with the opposition Social Democrats and said the president would discredit his office by interfering in party politics.

The Social Democrats praised the president's suggestion as an appeal to the rich to share with the poor. They said the idea should be the basis of a roundtable with the government next week on debt and other issues.

■ Brandt Recovering

Former Chancellor Willy Brandt was doing well Friday after undergoing an operaton to remove tumors from his colon, a hospital spokesman said in Cologne, *according to a Reuters report.*

Wolfgang Mathias of the Cologne University Clinic said the operation had been successful.

"The patient is doing well given the circumstances," he said.

Brandt, 78, who left the same clinic eight days ago after a routine checkup, underwent a similar operation in October.

Mr. Mathias said laboratory results of tests on the tumors would be ready next week. Under normal circumstances Mr. Brandt would be able to leave the clinic in a week, he added.

Too Hot for French Melting Pot

Fear of Arab Immigrants Persists Down the Generations

Washington Post Service

MARSEILLE — At sunset, the *muezzin's mournful wail* echoes through the cobblestone streets. An Islamic bookstore rolls down its shutters as men unfurl straw mats in the street, remove their shoes and kneel to pray. Women in flowing djellabas cover their faces as they scurry through the arches of a makeshift mosque.

In the public housing projects of this city's northern quarter, where tens of thousands of North Africans and their French-born offspring live in what are disparagingly called "rabbit cages," the scene is more secular but just as alien to the self-image of this prosperous, largely Roman Catholic nation.

Bands of jobless youths, looking *sullen and defiant, loiter near high*-rise dormitories that are pock-marked with broken windows. A library, looted time and again, has been *transformed* into a fortress. The few shops and cafés that cater to the neighborhood barricade their windows to thwart burglars and vandals.

For more than 2,000 years, this bustling Mediterranean port city has thrived as a rich cultural stew, blending successive generations of exiles and immigrants as varied as Armenians, Vietnamese, Gypsies and Jews. But ethnic assimilation has never proved more difficult than with Marseille's more than 80,000 North Africans, who form 10 percent of the city's population, and their French-born children.

The French government, fearful that the country's 4 million Arabs and their offspring could serve as a "fifth column" of Islamic fundamentalism, has been torn over whether to encourage integration of Muslim culture or suppress its influence in a modern Western society.

The Marseille mayor, Robert Vigouroux, has opened up city slaughterhouses during Muslim holy days so that the celebratory sheep can be killed in hygienic conditions. He also pays a well-publicized visit to a Muslim family each year to join in a ceremonial feast marking the end of the Ramadan fast.

But the authorities are mindful of racism in a city where the anti-immigrant National Front garnered more than a quarter of the vote in regional elections two months ago. They have been careful not to appear too indulgent. Plans to erect mosques have been blocked. Muslim mothers who had their daughters ritually circumcised have been prosecuted and the police have shut a Muslim radio station.

While the rest of France worries about how to integrate them, the immigrants and their children complain about wrenching family strains caused by the polarization of generations that are trying to reconcile their clashing backgrounds in culture, religion and education.

"My parents and I have had completely different lives," said Rabiha Bendjali, 32, a French-born schoolteacher. "They are very religious, but I'm not. They feel attached to the land where they were *born, but I only have lived in* France. They cannot read or write, but my sisters and I have university educations."

The racial prejudice that many Arabs born in France meet is brewing hostility toward a society that still sees them as foreigners.

The first wave of Arab postwar immigrants, born mostly in Algeria and Tunisia, came to help with the harvests or do construction work. Later, during the economic boom of the 1960s, many more came to work as dishwashers, dockhands and street sweepers and in other manual jobs that were increasingly scorned by the native French.

As their numbers have grown over the years, North Africans have quietly taken over streets near the heart of Marseille, which have come to resemble parts of Algiers or Tunis. There, elderly Arab men gather to sip coffee, exchange gossip, eat couscous and engage in five daily prayers.

As more North Africans have poured into Marseille — fleeing economic deprivation in their homelands for the affluence of Europe — the vast majority have been shunted into public housing projects at the edge of the city. Their numbers began to soar when the French government, fearing the social dangers of a large concentration of single Arab men, allowed the workers to bring their immediate families into France.

Many of the older migrants were illiterate and fervently religious. But their offspring — especially young women — who have had some French schooling have generally spurned Islam and show no *political inclination* toward Arab radicalism.

The racial prejudice that many Arabs born in France say they constantly meet *is brewing fierce* hostility toward a society that still sees them as foreigners. With the unemployment rate reaching 25 percent in some North African ghettos, an expanding number of discouraged youths are turning to crime or drugs. — WILLIAM DROZDIAK

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PLO Backers Deal Fundamentalists A Blow in a West Bank Test of Power

Reuters

NABLUS, Israeli-Occupied West Bank — Backers of the Palestine Liberation Organization defeated Islamic fundamentalists Friday in an election here.

Nationalists linked to the PLO won 9 of the 12 positions on the board of the Nablus Chamber of Commerce in a vote that was considered a test of strength for Palestinian political groups. Islamic List candidates won the remaining three seats.

"This is a victory for the nationalist bloc, which the *PLO* backs, and for the line that supports the peace process," said Basel Kanaan, one of the nine winners.

Israel has not allowed municipal elections in the occupied West Bank or the Gaza Strip since 1976. Chamber of commerce votes and other such polls are thus the main barometers of PLO and Islamic strength.

Since last year, when Israel allowed Palestinians to stage chamber of commerce elections in the occupied territories, votes have been held in three West Bank cities and one in the Gaza Strip.

The nationalist victory in Nablus, the West Bank's largest city after Arab East Jerusalem, was a setback for Islamic fundamentalists after two victories against PLO supporters.

More than 1,700 businessmen of 1,875 eligible cast ballots in the Nablus election, which was held on Thursday with counting through the night. The highest-placed Islamic candidate came seventh.

Nationalists and fundamentalists, although insisting that the poll was focused on business, acknowledged that they had sought support for their political views.

Nationalists, who back the current Israeli-Arab peace talks, have said they want to use the chamber of commerce to help build the Palestinian economy. Islamic candidates, who oppose the U.S.-brokered talks, say they want to prevent acceptance of Israeli proposals for limited self-rule in the *occupied territories. They want an* Islamic state covering Israel and the occupied territories.

In another development Friday, an attacker stabbed and wounded a 15-year-old Jewish seminary student near Jerusalem's Old City on Friday, the police and hospital sources said. A hospital official said the wounded youth, Joseph Groman, had a moderate back wound and was receiving blood transfusions.

Race Seen as Close In Austria Voting

Reuters

VIENNA — Austrians go to the polls on Sunday in the second and final round of what looks like an open, two-man challenge to succeed Kurt Waldheim as president.

Some analysts believe a conservative, Thomas Klestil of the Peoples' Party, has gained an edge over Rudolf Streicher of the Social Democrats, since Mr. Streicher led Mr. Klestil by 3.4 percentage points in the first round of balloting, on April 26.

But Mr. Klestil, 59, a diplomat, called it "a totally open race."

Campaigning since the first round has been lackluster.

There is little political difference evident between Mr. Klestil and Mr. Streicher, 52, a former minister of state indpstry.

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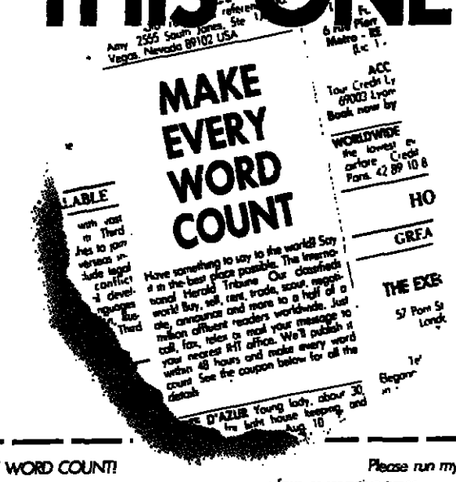

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A Nuclear Obligation

The urgent and delicate task of disposing of the nuclear arms of the three nations other than Russia that inherited the Soviet strategic arsenal is notably closer to completion as a result of the Washington trip of Nursultan Nazarbayev, president of Kazakhstan. His huge Central Asian country found itself in possession, though not in actual command, of more than 1,000 missile warheads and 370 aircraft bombs. This raised the specter that he would hang on to these weapons for political bargaining and in so doing spoil arms control and quicken proliferation. But from Russia, China and now the United States, he has gained the security and other assurances that let him move toward the right position in this crucial policy area.

Kazakhstan, along with Ukraine and Belarus, now pledges to accept its share of the disarmament obligations of the START treaty. That means turning back strategic weapons to be dismantled by Russia; battlefield weapons have already been returned. Kazakhstan is also assuming the no-proliferation obligations of the Nuclear Nonproliferation Treaty. In return, it is to slip under the protective umbrella the nuclear powers promise to raise over nonnuclear treaty signers. It is also moving to improve its security ties with Russia and other states of the former Soviet Union, to remove possible bones of contention between it and nuclear China and to move into a broad pattern of cooperative relations with Washington and the West.

The American government has rightly given high priority to updating START and keeping that treaty and the nonproliferation treaty on track. But in the course of seeing to the world's first instances of denuclearization, in Kazakhstan, Ukraine and Belarus, the United States has come under their strong insistence to meet its own nonproliferation treaty commitments — by halting nuclear testing.

In Washington, President Nazarbayev underlined the point: he speaks knowingly and strongly of the immense public health and environmental costs that Soviet testing inflicted on Kazakhstan. A testing moratorium is in effect throughout the old Soviet Union; the same is true in France. The nonproliferation treaty was always meant to involve a match of obligations: abstinence by nuclear have-nots, progressive limiting of arms and options by haves. Fortunately, warming world circumstances make it safe and plausible for Americans to do their part.

— THE WASHINGTON POST.

Quayle's Unreal World

First, let's get past the silliness. For all the mirth he has provoked among TV comedians, Vice President Dan Quayle did not blame the Los Angeles riots on Murphy Brown, the situation-comedy character. He only used her fictional out-of-wedlock baby to illustrate a much larger, grimmer accusation, one that cannot simply be laughed off.

What so much troubles America today, he said in San Francisco on Tuesday, arises predominantly from "a poverty of values" in America's inner cities, where "young men father children whom they have no intention of caring for, by women whose welfare checks support them. Teenage girls, mired in the same hopelessness, lack sufficient motive to say no to this trap."

That is Dan Quayle's view of the world and it tracks, in nicer language, Ronald Reagan's infamous denunciation of black mothers as "welfare queens." It reflects the chill, abstract view of conservatives sure the true enemy is not poverty but poor people. That is what makes Mr. Quayle's pronouncements so alarming. Remote from reality, the vice president seems seriously to believe that what poor people most need is moral fiber.

Make them work for their welfare, he says. Stop subsidizing broken families. That will shock them into line. Yes sir, just the way you can keep young people from having babies: Lecture them sternly not to have sex, and never mind the condoms.

What the vice president keeps failing to grasp is that the admirable values he asserts refer to a highly idealized world. America by Norman Rockwell. That leaves him grimly insensitive to the real world, as newly laid bare by the Los Angeles riot.

It is a world in which poor people starved for police protection are left to fear, instead, police brutality ... in which poor young men who need work and a future are left to join gangs ... in which poor young mothers get little help in securing paternal support and ever less public assistance money. And in which their numbers, white and black, keep growing alarmingly.

That is the besetting problem, but the vice president does nothing to allay it with his news flashes that things would be better if children had two parents, and if poor parents would only embrace finer values. It is not Murphy Brown's fictitious world that is the problem here: it is Dan Quayle's.

The best rebuttal came on May 8, from another national figure who was also visiting in California. He said:

"Think of the way that the world looks right now to the single mother on welfare. Government provides you just enough cash for the bare necessities. Government tells you where you can live, where your kids go to school ... And if you find a job, the government cuts the welfare benefits. And if you save, if you manage to put a little money away, maybe toward a home or to help your kid to get through college, the government, says, hey, welfare fraud.

"Every one of those things happens with the system that we have in place right now. And then we wonder why can't folks on welfare take control of their lives? Where's their sense of responsibility?"

The speaker, sensitive to the real world, was President George Bush.

— THE NEW YORK TIMES.

Speaking of Values ...

Most of the discussion about "a poverty of values" — as Vice President Dan Quayle put it the other day — has focused on the inner city, where the breakdown of family structure, personal responsibility and the social order is supposed to be most acute. But if the growing public debate about moral values and destructive attitudes and behavior is to have real meaning, it should be inclusive, so that the disconnection from the rules so evident in other areas of society can come in for due examination and judgment as well. What better place to start than with the Justice Department's new report on the state of personal irresponsibility and lawlessness in the savings and loan industry?

The more than $8.2 billion lost by S&Ls from October 1988 to this April was not due to sloppy bookkeeping but to pure and simple fraud and thievery, according to the Justice Department. It cited 1,138 defendants who were charged with crimes related to those losses. A stunning 93 percent were actually convicted. Some 514 of them drew prison sentences, totaling 1,657 years, while another 183 are awaiting sentence. For many of the convicted, as well as the 153 who received convictions with suspended sentences, the courts have imposed more than $15 million in fines and ordered restitution of more than $400 million.

These schemers most likely are not related to the single mothers or gang members of the ghetto. They can more likely be found in the ranks of the middle-aged and the middle class, where many critics of inner-city life arrogantly believe traditional values exclusively repose. Yet the toll brought on by the indulgence and self-gratification of S&L officials is as costly to the whole of society as the welfare ethos.

And what were some of the S&L leadership doing in this period? Board chairmen, CEOs and presidents were being indicted by the dozens; 95 of them drew convictions. And S&L directors received even more indictments, 186 to be exact.

The report teaches that ethical solidity and strong, well-defined values are not the special property of any income or social class, and that integrity, personal responsibility and respect for honest hard work can be mocked by the well-off as well as by the disadvantaged. It ought to be fashionable to talk about this as well.

— THE WASHINGTON POST.

Roads but No Freedom

Not much happens to catch the world's eye in Malawi, a sliver of a country 300 miles (480 kilometers) long, tucked deep in south-central Africa. But a decision last week by Malawi's Western donors makes a large and useful point. They, along with the World Bank, have suspended aid until Malawi demonstrates respect for human rights. With the Cold War over, there is no reason to indulge anti-Communist autocracies in the Third World.

Since independence in 1964, Malawi, formerly Nyasaland, has known a single ruler: President-for-Life Hastings Kamuzu Banda, known to his people as Ngwazi, meaning lion or protector. Under Mr. Banda, nine million Malawians have gained a good highway system and the illusion of stability. But the price has been total subservience to the Ngwazi, now in his 90s, and to his overbearing ministers, who warn that dissenters will become "food for crocodiles."

Nevertheless, younger Malawians now clamor for greater freedom and an end to one-party tyranny. Their cause was taken up by Roman Catholic bishops, speaking for a third of the population, in a pastoral letter condemning abuse of human rights and a harsh economic system.

The Ngwazi's minions responded by expelling churchmen and making possession of the pastoral letter a criminal offense. When an exiled trade unionist, Chakufwa Chihana, returned in April to join the campaign for democracy, he was instantly arrested. Inevitably, protest moved to the streets. At least 20 Malawians were killed in recent riots. Nobody can say for sure, in a country derided as "the Albania of Africa," whether President Banda is aware of the killings. But the aid cutoff sends an unmistakable message that his cronies cannot ignore. The plight of Malawi's ill-used people may be eased by the glare of publicity.

— THE NEW YORK TIMES.

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Force Against Serbia? If It Comes to That

By Stephen S. Rosenfeld

WASHINGTON — The new idea in Washington is to use force against Serbia to check its expansionism in the former Yugoslavia. The notion is moving up in public discussion though not yet in official opinion. It is an idea whose time may be coming, though whether this can happen soon enough to help the lengthening list of Serbia's victims is a cliff-hanger.

Everyone is shocked that Europe dithers while Slobodan Milosevic, the Serbian Saddam Hussein, rolls on. The common conclusion is that Europe is immature, unable to act even when aggression and tragedy unfold not on its doorstep but inside its house.

But while that confirms a certain old American judgment of Europe, it thrusts on Americans a question they are only beginning to address. Should the United States assert some of the same sort of leadership it showed in the Gulf and, with Europe or the United Nations, devise a military rescue or at least add a military string to the international bow?

The typical lesson Americans learn from foreign policy disasters is not to repeat them, and in this instance the analogy commonly invoked is Vietnam. Intervention in Yugoslavia, an unnamed senior official said the other day, would be "an awful quagmire." Certainly it is necessary to ask whether the mission of sorting out ethnic conflict is not the core definition of the term.

But the form of intervention that makes the most sense — militarily minimal, high-tech, low-casualty, internationally approved and wrapped in a peace plan — is the reverse of quagmire. A NATO or a United Nations air shield protecting civilians who are under Serbian air assault, combined with a diplomatic initiative to protect the rights of minorities living outside their homelands: That kind of package is in order.

Is it within political reach? Even those who are most appalled by the spectacle of international inaction in the face of death and displacement accept that the American public is ill-prepared and that American politicians raise the possibility only at some peril. Yugoslavia has overrun the American consensus on intervention. That consensus confines interventions to circumstances where the outcome, assuming it seems achievable, is important to the United States. While some may argue over whether a given set of circumstances meets the national-interest test, no one doubts the validity of the test.

Few Americans claim that the outcome in the former Yugoslavia is important enough to the national interest to justify risking American lives. There is no Soviet Union, no strategic prize, no oil and so on. Instead, the argument is simply that what is happening there is terrible and could have destabilizing spillover effects. All of that is true, but it sounds mushy. It is not easy, nor should it be, to abandon the hard-won national-interest test for military interventions.

There is, moreover, a lurking and probably warranted public suspicion that the American/international response to Yugoslavia may set a pattern. With the Cold War fading into memory, other situations are going to arise in which a local leader raises an ethnic flag to justify using force across an international border or otherwise wreaks misery upon his people. Hence the desire to be careful about setting out in a military wagon on the long and bumpy road of compassion for suffering people.

I am ready, on compassionate grounds, for a Yugoslav intervention. No one could claim, however, that Europeans and Americans have exhausted all the other ways to tackle Serbian aggression. Cutting diplomatic relations, even beyond the selective trims announced Friday, toughening the bite of the embargo, protecting the agencies distributing humanitarian relief in the stricken lands: These and other measures remain to be taken even as the question of military intervention sharpens.

The United States supports UN peacekeeping missions in situations where a cease-fire is in place. But it holds back from sanctioning creation of a standing UN intervention force, which — a different breed — would be available to work under Security Council direction in places where hostilities were still on.

The rationale for hesitation is to maintain American freedom of action. But the result is to deprive the UN of a potentially valuable tool that could be used precisely in the current swampy circumstances when friends have not got their act together and the United States is sitting back in unease.

The Washington Post.

A Scream of Agony Falls on Deaf European Ears

By A. M. Rosenthal

MADRID — Every day now, the new Europe shows it can be strong, united and independent of the United States — but only until a real crisis comes along that it has to handle itself.

Then Europe becomes a vivid lesson for Americans in the value and strengths of their own country and its special system of government.

Thousands of Europeans are being slaughtered by other Europeans. European cities are being smashed. European separatists and terrorists all over the Continent watch to see what may be in it for them one day.

The disaster of Yugoslavia, once a nation, now a scream of agony, should have been enough to persuade the leaders of the new Europe to put up or shut up. They do neither.

They do not have the courage to face the risks of forcing a decent settlement — or even just stopping the bloodletting. But they remain magnificent when it comes to making statements of huff and puff. They look around for U.S. help without enough political guts to admit it.

Even a little time spent in Europe listening to the evasions of European leaders should be a great lesson for Americans. It should make them see more clearly the virtues of their own system, so often and so contemptuously dismissed by Europeans and even by themselves.

Western Europe has plenty of troops, planes and ships for the blockades and interdictions that could have smothered the war and forced real peace talks on the combatants. Why were they not used by the new Europe in this year that was supposed to be the beginning of the new era of united European power?

Why do we hear, even from Spain's prime minister, Felipe Gonzalez, one of Europe's more straightforward and imaginative leaders, the story that the mechanisms, the structures, do not exist for collective action about Yugoslavia? If Europe has one thing in good supply it is structures and mechanisms.

The reason is that this time Europe does not have the United States to count on. It has soldiers and guns but it does not have the political and organizing power that the American presidency, balanced and strengthened by congressional backing and public support, can bring to meeting a crisis like Yugoslavia.

Yes, the Bush administration was part of the West's disastrous buildup of Saddam Hussein and wound up leaving him in power. But when the United States decided to stop Saddam after Kuwait, President George Bush had both the courage to act and the system that he needed.

That combination — the determination of a leader and a balanced, unified constitutional system — was able to create the coalition and open the rusty umbrella of the United Nations.

Neither is present now in Europe. Politically a united Europe is one more fictional creature that walks without clothes. Among other recent creations were perestroika to save the Soviet Union, the Bush "new world order" and the idea that the United Nations has become some kind of separate entity that can act without the initiative and permission of the major powers.

Yugoslavia showed that Europe is still a collection of states that have separate political needs and fears and will not march politically to the same drum for decades — probably never.

Economically, where the price of unified action is money, not blood, a united Europe may work. But before we place any bets, let us wait until the first great European economic crisis, like heavy unemployment caused by heavy migration.

The Bush administration has correctly decided that the civil war in Yugoslavia is one crisis that Europe ought to be able to handle on its own.

One day Americans may not be able to stomach any longer what European leaders keep swallowing — the death of thousands of Europeans and the destruction of a part of European civilization. Then, with American help at hand, Europeans will suddenly discover those "mechanisms" for action that they have misplaced. But in the meantime Americans can learn a lesson:

The European concept of unity will never be an equal or a substitute for the strength and flexibility of the American constitutional system — not for the United States, not for the world and not for those abandoned Europeans living in the pool of blood that was once Yugoslavia.

The New York Times.

Transcaucasia: Dancing on a Needle in Heavy Winds

By Leslie H. Gelb

NEW YORK — As Armenian irregulars bear down on Nakhichevan (an Azerbaijani enclave in Armenia) and gain control of Nagorno-Karabakh (an Armenian enclave in Azerbaijan), and as Turkey debates intervening to protect its Turkic and Muslim brethren, Bush administration policy dances on the point of a needle.

U.S. political imperatives — influential Armenians, mainly in the pivotal state of California — strongly favor Armenia. Policy considerations — plans to develop Ankara as a strategic counterweight to Iran and Russia in Central Asia — tug toward Turkey.

Margaret Tutwiler, the State Department spokeswoman, danced to these two tunes earlier this week in discussing events in Transcaucasia. She began by announcing that the United States "will not accept unilateral changes in the status of Nagorno-Karabakh, Nakhichevan, or any other territory [by] military actions or violence." Then came these exchanges:

Q: The status is that Nagorno-Karabakh is part of Azerbaijan. The Azeris are presumably not trying to change that status. Is is right by the process of elimination to assume it must be the Armenians?

Tutwiler: There are ... a number of views of this situation ... Our point today ... is [the rising violence].

Q: So the situation is that the U.S. simply will not take a position on who is the aggressor and who is the victim ...

Tutwiler: Right ...

Q: What does it mean that the U.S. "is not going to accept unilateral changes ..."?

Tutwiler: We use this phrase in any number of instances ... It is a standard phrase that we use here. I can't explain to you why they do; it's been used for years ...

Q: It also normally precedes some strong action by the U.S. ... You used the statement "will not accept" just before we went into Panama with military force as well. Are we prepared to take some further strong action in this situation?

Tutwiler: Not to my knowledge.

Behind the scenes, President George Bush and Secretary of State James Baker have been working the phones to Yerevan, telling Armenian leaders to stop the fighting in Nagorno, to accept mediation by the Conference on Security and Cooperation in Europe, and to hold back their irregulars in Nakhichevan. And they are pleading with Ankara not to intervene.

While U.S. diplomacy has been evenhanded, administration feelings are increasingly anti-Armenian. Officials do not accept Yerevan's assertion that it has no control of Armenian irregulars in Nagorno and Nakhichevan. They believe, as one key official put it, that the Armenians, long the victims in this region, are "trying to create military facts on the ground while our hands are tied by our elections — just the way the Serbs are doing it in Bosnia."

The comparison is nasty, and Armenian-Americans are well aware of the increasing administration tilt toward Turkey. "But they can't do anything about it this year," said Van Krikorian of the Armenian Assembly in Washington, referring to White House worries about Armenian support in the presidential campaign.

Then Mr. Krikorian put down the policy card U.S. officials fear most. If Washington abandons Armenia diplomatically or stands by while Turks kill Armenians once again, he said, "Armenia would have to look to Iran for security."

To administration officials, Iranian fundamentalism represents the immediate threat to Western interests in Central Asia. They hope to build up Turkey, a Muslim but secular nation, as the alternative.

And they do not want Armenian military successes against Turkic peoples to put Ankara in a position where it must either stand aside and look impotent or intervene with force.

Turkish intervention would compel the United States to back Armenia for politics' sake and undercut Ankara. It might also trigger what officials see as the long-term threat to Central Asia — a resurgent Russia. Already this week, a senior Russian general warned hyperbolically that outside intervention would "obviously place us on the verge of a Third World war ... "

Telling these ancient enemies not to kill each other will not take the United States and the West far. At some point, they will have to hold Armenia in check. The only way to do that is by guaranteeing long-victimized Armenians their security at home and their rights in Azerbaijan. Otherwise, history will return with a vengeance.

The New York Times.

Get Right With the UN

By Ronald Spiers

WASHINGTON — The United Nations is no longer a marginal factor in world affairs, as demonstrated recently in the Gulf, Afghanistan, Central America and Cambodia. The time has come to align U.S. policy with this new reality and to face fully the financial obligations of membership. The members of the organization currently are behind more than $1 billion in paying assessments. And half of the arrearages are due from the United States.

The Bush administration has reversed the position of its predecessor and agreed to pay its debt over five years. But given the constantly expanding challenges confronting the United Nations, this is not enough.

These, I believe, should be the key elements of U.S. policy: Congress should appropriate the full $750 million the administration requested as its contribution to funding peacekeeping responsibilities that the United States, as a Security Council member, voted for. The administration and Congress should accept that appropriations for peacekeeping can no longer be part of the State Department budget, given the size of the requirements as a proportion of that budget. This account should be transferred to the Defense Department appropriation.

Peacekeeping forces are truly a legitimate part of U.S. security needs, as General Colin Powell, chairman of the Joint Chiefs of Staff, has recognized. The respective committees of Congress should support this shift. Of course, the State Department will have to retain a key role in policy oversight.

The administration should reverse the decision of a decade ago to slip the appropriation of the United Nations assessments by a year. UN assessments are due by Jan. 31 each year, but U.S. payments, in current practice, are unavailable until the following October.

Finally, the UN General Assembly has welcomed moves by Secretary-General Butros Butros Ghali to consolidate responsibilities in the secretariat by seriously reducing the oversupply of senior officers reporting directly to him. The United States should be in the forefront of those urging him to follow through on his promises of a further rationalization of the organization within a year. Renewed consideration should be given to the creation of a post of deputy secretary-general to help Mr. Butros Ghali get the farflung family of UN personnel and agencies moving in the same direction.

At stake is the possibility of moving progressively away from unilateralism in the use of force to true collective security, permitting UN members, including the United States, to devote more of their scarce resources to meeting challenging domestic needs.

The writer, a former U.S. Foreign Service officer, retired in February as United Nations undersecretary-general for special political and General Assembly affairs. He contributed this comment to The Washington Post.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

This Crisis Won't Stop Germany

By Norbert Walter

FRANKFURT — Is Germany's high-powered economy headed for trouble?

With the average hourly wage at $25.14 — the world's highest — and new settlements that on the surface do not appear to curb the upward trend, pessimists say Germany is going to become less, not more, competitive.

Don't be so sure.

To appreciate the economic changes under way, critics must understand Germans' response mechanism. Though basically a conservative people, we become dynamic and act fast when crisis threatens.

The current wage round is no exception. After all the strike tensions, the cost of the pay increase in the public sector's one-year contract will be manageable, especially because extra care will be taken in hiring.

The agreement between the metalworkers union and the employers association is significant in that it runs 21 months and calls for only a 3.4 percent increase for the first nine months of 1993. This bellwether contract indicates that next year's settlements will be considerably lower than this year's. This bodes well for the inflation rate, now 4.6 percent.

The current slowdown is mainly cyclical, yet we have convinced ourselves that it is a direct result of high costs of production, especially labor. The debate that this perception of crisis has spawned means the private sector is addressing problems in 1992 it would surely face closer to 1997.

Many outside experts think our rigid labor practices disadvantage our industry. Our companies cannot lay off personnel as easily as American companies do; we traditionally reinvest in employees rather than abruptly release them. Retraining current employees is far more cost-effective than training new ones.

Some critics suggest that the skills of Eastern German workers are so low they threaten the high wage strategy. Not so. Huge sums have been sunk into training and capital equipment there. Not only will this jumpstart the region's economy, it will significantly raise the quality of the entire German work force in a relatively short time.

For instance, auto production will focus increasingly on luxury cars, research and development and component production at the high end of the market. Even Eastern Germany, where new plants inevitably will be Europe's most modern, is beginning to become a center of high-end production.

Automakers realize that they must reduce overall production costs to remain competitive in world markets, so they are shifting low-wage labor-intensive jobs to Eastern Europe, as they did to Spain years ago.

Volkswagen, General Motors and other West European automakers believe their plants in Czechoslovakia, Hungary and Poland will be able to deliver a product that can compete with Japanese cars made in Britain.

This pattern is distinguishable in a number of sectors. The export-oriented chemical industry is setting up production facilities outside Europe. The success of this strategy depends on the steady development of new products, for which a highly trained work force is crucial.

It is equally important that the tax and investment climate be conducive to putting up the enormous funds required for research and development. On both counts, Germany is well-positioned.

Even though German companies appear to be in the doldrums right now, the changes in industry are another step up the ladder of production strategy — a ladder we have climbed steadily for decades.

The shift toward ever more capital-intensive production will sweep the rest of Europe and the developed world before the 1990s are out, as skilled labor becomes increasingly scarce relative to demand.

This means that while our high labor costs seemingly put us at a competitive disadvantage, Germany will be well prepared to operate in the changing world economy.

This is not to say doubters do not have a point. High production costs are likely to aggravate the current slump. But the effects will only be felt in the short term.

The medium- and long-term outlook for the economy is brighter than most realize. The very disadvantages that hamper domestic production today will help our economy emerge stronger during the rest of the decade.

The writer is managing director of Deutsche Bank Research. He contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Economic Uproar

LONDON — The uproar continues over the bold economic discourse of Lord Salisbury, who contended in a speech at Hastings last Wednesday [May 19] that the principle of taking in goods of all nations duty-free might be very noble, but it was not business. He then boldly said, "If you intend in this conflict of commercial treaties to hold your own, you must inflict upon the nations who injure you the penalty in your hands of refusing them access to your markets." This message commences the end of bogus Free Trade in England.

1917: Dog for the Cause

PARIS — The American Hostels for Refugees received an unusual donation from Mrs. Leo-Chide of Paris. Sing-Tzar, a smart and exceptionally beautiful Pekingese dog, will be sold to the benefit of French war sufferers. Sing-Tzar descends from the famous Alderbourne stock. His father, Teddy Bear, took the Diplôme d'Honneur at the Exposition Canine de Paris in 1914, and on his mother's side he counts several championships in his ancestry. An upset price of 1000fr. has been placed upon this lovely creature, the sale of whom will certainly contribute to the aid of a good cause.

1942: Nazis Driven Out

MOSCOW — [From our New York edition:] The Red Army, battling fiercely through the eleventh day of Marshal Timoshenko's offensive in the Kharkov area of the Ukraine, reported today [May 23] it had killed more than 15,000 Germans in hurling back Nazi attacks in the last three days. All 15,000 were killed on a single flank of the Kharkov front where wave after wave of shock battalions were thrown against the Red Army. The receding Nazi waves left 3,000 dead in the field in one area in one day, along with heaps of battered tanks and choking dust hovering over the hot Ukrainian plains.

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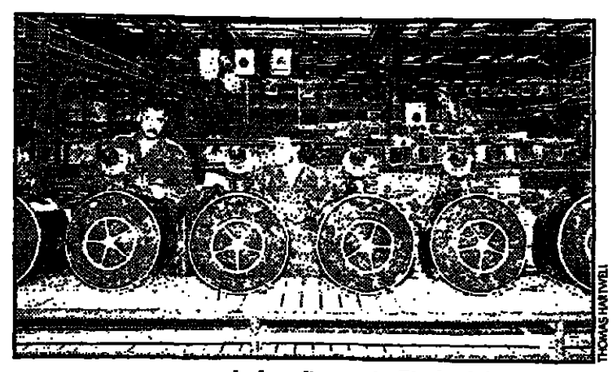

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...and of appliances in Sixth of October city.

Renewed Confidence Brings Unexpected Rewards

It has been a good year for Egypt. The economy has made encouraging strides. As the world absorbs the momentous consequences of the collapse of the Soviet Union, it is clear that former President Anwar Sadat's policy of siding with the West in the Cold War has been vindicated.

Egypt emerged a clear winner in the Faustian drama of the Gulf conflict with a massive write-down of its debts and the prospect — thanks to the bite of an International Monetary Fund agreement — of forcing through the kind of structural transformation that has eluded economic managers to date.

After 40 years of turmoil, it is at last possible to envisage the prospect of regional peace — the prize above all others that Egypt seeks to secure for its citizens. These developments imbue in policymakers a sense that they may at last be beginning to have some command over events.

On the economic front, Egypt has passed an important watershed. The inflationary pressures unleashed by the price rises required to activate the IMF agreement have been contained. And there is a policy in place to ensure that credit relaxation goes hand-in-hand with a reduction in the budget deficit.

The price has been a draconian credit squeeze that has particularly hurt small businesses; they have often been left stranded at the end of an extended payment pipeline. Nevertheless, the economy remains remarkably buoyant despite the squeeze and the cost of accommodating some 400,000 Egyptians who returned from Kuwait and Iraq because of the hostilities.

This buoyancy is due to a record inflow of tourists — expected to top 3 million this year — and a largely unremarked inflow of Saudi and Gulf investment, which is driving up real-estate prices and spilling over into tourism, agriculture and industrial ventures. There are also signs of Egyptian private wealth returning to the country.

There is also a sense, at the grass-root level, of an emerging self-confidence among Egyptians: in the improving quality of construction, the better upkeep of public buildings and parks and of housing generally and in better administrative management.

Exposure to the world market has softened the tone of the opposition. President Hosni Mubarak's skillful steering of Egypt back into the Arab mainstream after Egypt's break with the Arab world in the late 1970s has also ensured that there is no longer any confusion as to the West's role. This time around, Egyptians are decidedly at ease with themselves; the economic boom when it comes will be homegrown.

The most significant battle in Egypt's long march to a market economy has been waged over the transferral of parts of the economy to the private sector. Throughout the mid-1980s, it was clear

Continued on Page 10

THOMAS HARTWELL

The calm of sailing boats on the Nile. The bustle of factories producing exports. These are symbols of Egypt's returning prosperity and appeal. But peace has also brought the opportunity for fundamental economic reform and a higher profile for Cairo in world diplomacy.

Debts Are Halved, Inflation Is Curbed, Dollars Flow In

Eygpt's military debts are now set to be wiped from the slate, together with a large slice of Egypt's other official debts, in recognition of Cairo's stand in the Gulf War.

In all, the total debt will be halved from some $49 billion to $25 billion (of which $14.8 billion is private debt) and, more significantly for the current account, the country's debt-service profile has been transformed, provided Egypt keeps on track with its IMF reform program.

The external account has rarely looked so healthy. With an extra $1.7 billion to play with this year from forgiven or deferred debt service charges, an unexpectedly good run on most of the conventional foreign-exchange earners, particularly tourism, and remittances picking up, reserves have jumped to the equivalent of over five months of imports.

Another factor bolstering reserves has been the strong inflow of dollars into Egypt to take advantage of the real interest rate regime introduced in January 1991. With the Egyptian pound virtually unchanged against the dollar since flotation last autumn — confounding IMF assumptions of an annual 15 percent depreciation in the currency — deposits in Egyptian pounds have been an extremely profitable investment.

If Adel El-Labban of the Commercial International Bank is correct when he asserts that the pound is actually undervalued, pound deposits will continue to be in demand, further underscoring the stability of the currency and eliminating imported inflation.

According to the minister of cabinet affairs, Atef Obeid, inflation dropped from 26 percent to 21 percent in the 12 months to the end of March. (Other independent analysts put the rate as low as 17 percent.) Government revenues from customs dues and the recently introduced sales tax have exceeded expectations, and the tax take has risen to 20 percent of GDP.

Mr. Obeid adds, "We are enlarging the taxable base and introducing a global tax. We have to improve tax savings by refinements to the data base and improve collection methods."

On the expenditure side, the government has been more successful than expected in reining in its spending. Mr. Obeid estimates that the budget deficit for the fiscal year to the end of June will consequently be held to between 6.8 percent and 7.1 percent of GDP — well within the 9.3 percent guideline set by the IMF and within striking distance of the 6.5 percent target for 1992-93.

The difference this time with official attempts to control public expenditure while managing credit expansion is that a clear mechanism is established through the issuing of Treasury Bills that link government spending to the available money stock. High demand on the stock automatically raises the cost of money.

Conversely, the present lower-than-expected pub-

Continued on Page 9

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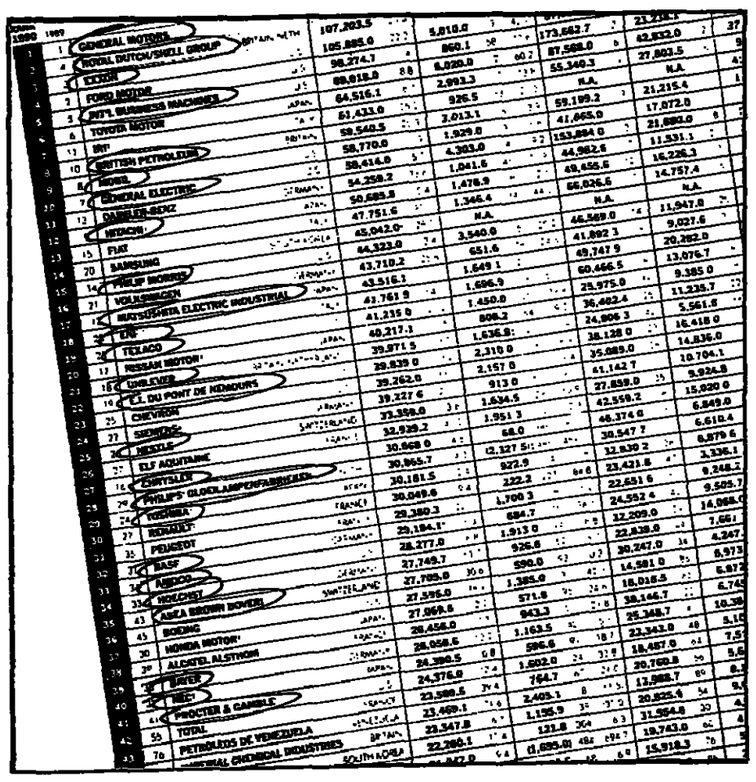

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Cairo Once Again at Hub of Arab World

Egypt's star in the diplomatic firmament has rarely shone brighter. Two of its elder statesmen, Butros Butros Ghali and Esmat Abdel Meguid, head the United Nations and the Arab League, respectively.

At the same time, a newfound economic self-confidence and diplomatic maturity is subtly changing regional relationships, particularly with its erstwhile paymasters in Saudi Arabia and the Gulf.

Egypt may appear to be slipping out of the picture as the focus of the Middle East process shifts eastward, but its counsels have never been so in demand.

Gulf War pays dividends

A decade ago, the situation looked very different. Egypt, dangerously marginalized and isolated in regional affairs, was feeling the economic impact of the Arab boycott following the Camp David accords with Israel. It says much for the dogged perseverance of President Hosni Mubarak in rebuilding bridges with the Arab world that Egypt's rehabilitation has been so successfully completed.

The breakthrough occurred in 1987, when diplomatic ties were re-established with Saudi Arabia and the conservative bloc, and the reconciliation was formalized by Egypt's readmission to the Arab League in May 1989. A little more than a year later, the Arab League had moved from a temporary home in Tunis to its headquarters in Cairo, and Esmat Abdel Meguid was elected secretary general.

From Cairo's perspective, this was gravity reasserting itself over aberrational political forces, a restatement of Egypt's natural position.

In the Gulf crisis of August 1990, Cairo's leadership in first opposing the invasion and then committing troops to the expeditionary force to oust Saddam Hussein was the catalyst for the formation of the Arab coalition essential to the success of the wider diplomatic mobilization in the UN.

The political dividend for Egypt in taking a swift and decisive stand was both practical and psychological. Grateful Western allies wrote off over half of Egypt's official debts, providing the breathing space essential to making the May 1991 economic reforms work. The psychological impact is still being felt in the newfound seriousness with which the West now views Egypt's reform moves.

Although Egypt has moved off center stage in the peace process, it derives satisfaction from the fact that the protagonists are now talking to each other, and its potential role as an "honest broker" remains. The Palestinian negotiating team was in Cairo in mid-April to be debriefed on peace talk tactics. Mostafa Khalil, the former prime minister who was a prime mover behind the Camp David accords, says, "We try to advise the Palestinians on how to negotiate. They have to create personal relations with the Israelis."

Egyptian officials make little attempt to hide the difficulties they faced in dealing with the Israelis but point to the signing of 26 nonmandated agreements as proof that Egypt did its bit to put flesh on the Egyptian-Israeli peace treaty. Selective cooperation with Israel is growing, particularly in the tourism, energy and agricultural sectors.

Egypt perceives real grounds for hope in the enormous geopolitical changes that have taken place in the world since the collapse of the Soviet Union and the new impetus in the West to solve the Middle East problem. It is encouraged by the United States taking a much more holistic view of the region and is anxious to capitalize on the momentum of what it sees as America's more constructive contribution.

Nevertheless, the painfully slow pace of the negotiations — now caught in the cycles of the Israeli and U.S. elections — takes place against the background of chronic instability of the region.

In this context, the West's dispute with Libya over the Lockerbie affair is particularly distressing for Egypt. No matter what the position in law regarding the surrender of the Libyan suspects and the imposition of sanctions against Libya, the Egyptian government has to deal with a domestic constituency that, while not necessarily having any particular love for Colonel Moammar Gadhafi, feels the West is getting at Libya to make a point. There are complaints of double standards, particularly as regards the Security Council's reluctance to sanction Israel for its failure to implement UN resolutions. The concern is that Libyan sanctions will play into the hands of the fundamentalists by confirming the suspicion that the West is anti-Islam.

The Libyan crisis raises fears of economic disruption should the 500,000 to 1 million Egyptians in Libya be forced to return home. Egypt is still trying to absorb a net intake of 400,000 expatriate workers forced home in the wake of the Gulf War.

Egypt is trying to encourage a greater frankness in inter-Arab diplomatic dealings as a first step to the adoption of more mature and realistic positions.

As one Foreign Ministry official put it: "The Arab world has to change. The question is how it will change. We will not become Western because we are not Western. We are trying to find a new identity. It will be progressive or fundamentalist. Either way, it will be Islamic."

A.M.

Deutsche marks and dollars for sale: realities of a free currency market in exchange office window.

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. ● Alan Mackie is a London-based journalist who has been writing about Egypt and who visited Cairo for this supplement. ● Michael Frenchman is also based in London and travels frequently in the Middle East. ● Olfat Tohamey is a free-lance journalist living in Cairo. ● Pamela Ann Smith is a London-based writer and consultant on the Middle East.

Egyptian at the Center Of World Peacekeeping

Symbolic of Egypt's increasingly central role in world affairs was the appointment this year of an Egyptian, Boutros Boutros Ghali, as the world's top diplomat, secretary-general of the United Nations, the man most deeply involved in efforts to keep the peace around the world.

Handpicked by the late President Anwar Sadat to accompany him on his historical visit to Jerusalem in 1977, Mr. Ghali made a leap from the academic world into that of international politics.

Before his appointment as minister of state for foreign affairs, few observers were aware that Mr. Ghali, who had been head of the Political Science Department at Cairo University since 1949, had developed an interest in public life. But he had in fact become a member of the central committee of the ruling Arab Socialist Party in 1974 and later its politburo. "My appointment came as no surprise to me," says Mr. Ghali.

More of a realist than an optimist

He entered the bastion of the Foreign Ministry armed with a formidable list of books, research papers and lectures he had prepared in his field, but he had no practical experience in diplomacy. The depth of his knowledge of international law and politics and his conviction of the necessity of a peaceful settlement to the Arab-Israeli conflict enabled him to carry out the difficult task of negotiating peace with Israeli counterparts.

Mr. Ghali has referred to his relationship with the late president as "excellent, and based on mutual trust," adding, "I had his confidence, and he often entrusted me with very delicate missions."

In a number of difficult situations, Mr. Ghali has shown a marked resilience and earned high praise for patience and perseverance. Despite his failure to obtain the support he needed to run for the post of UN commissioner for refugees three years ago, he accepted the challenge of seeking the top position at the international organization.

In an exclusive interview, he describes his task as "formidable but not insurmountable," and added, "But I took the job knowing full well what it would entail."

A down-to-earth realist, Mr. Ghali was keen not to raise expectations about his new role, saying in his inaugural address, "I am not one of those who promise what is beyond the limits of the possible." He went on to say that "although there is a strong relationship between me and optimism, the link between me and realism is stronger."

"I am not one of those who promise what is beyond the limits of the possible."

Boutros Boutros Ghali.

Mr. Ghali delivered his address in the three languages he speaks fluently: Arabic, English and French. He introduced himself to the world by saying, "My sense of belonging is to Egypt, the Arab-African country overlooking the Mediterranean, which has through the ages played the role of a bridge for civilization and a melting pot in which various cultures and religions have interacted."

The depth of this belief is exemplified in his personal life: the descendant of a wealthy Coptic Christian family, Mr. Ghali is married to a Jewish woman.

Mr. Ghali says of the UN: "Ironically, perhaps one of the biggest challenges facing the organization today stems from its own recent spectacular successes. Never before have expectations been so great for the United Nations to solve the world's problems."

He also complains that "never before have the organization's human and financial resources been stretched so thin in trying to meet the growing number of assignments."

He says he regards his task as threefold: "First, to bring the sometimes unrealistic expectations down to well-defined, feasible goals; second, to restructure the United Nations machinery so that it can adequately respond to the new demands; and third, to promote the concept of the 'division of labor' by urging greater involvement of regional and nongovernmental organizations in solving the world's problems." O.T.

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A Quiet Revolution Transforms Farm Life

The popular image of Egyptian agriculture encapsulated in the timeless images of fellaheen, donkeys, date palms, pigeon lofts and buffalo at water wheels belies a quiet revolution taking place on the farm.

The agricultural revolution is spurred by a twofold impetus: the need to improve production by dismantling the state-controlled pricing structures, both of agricultural inputs such as pesticides and seeds and of farm gate prices; and the need to expand the area under cultivation through land reclamation.

By the end of this year, virtually all direct subsidies on farm inputs will have been eliminated, and farm gate prices on all produce except cotton freed. Cotton prices, until recently only 40 percent of world prices, are to be fully liberated in 1993.

The need to revamp Egyptian agriculture has to be seen in the context of the population explosion and urban encroachment. As recently as the early 1970s, Egypt was a net exporter of food; today it suffers from a deficit of several billion dollars on its food account.

The agricultural reforms, together with scientific advances — new plant strains, etc. — are already making a significant impact on productivity; agricultural production was up 8 percent in fiscal 1990-91 and the food deficit declined.

Egypt will continue to rely on imports to cover market needs in wheat (for which local production covers only a third of consumption), beans, vegetable oil and meat, and will concentrate on producing export-led, high-value fruits and vegetables.

The main thrust for increasing nontraditional agriculture comes from land reclamation, and the most striking evidence of the progress made is the Desert Road between Cairo and Alexandria. Here a number of major reclamation projects produce all forms of tropical, semi-tropical and deciduous fruit and vegetables.

Over the past 10 years, some 60,000 feddans (25,200 hectares) of desert have been reclaimed, more than offsetting the 30,000 feddans lost to urban encroachment. Reclamation is now adding 40,000 feddans of cultivable land each year.

The Nile, according to the latest research, should be able to sustain a million feddans of reclaimed land, which would raise the cultivable area to some 7 million feddans.

In the view of Nadia Niazi Mostafa, who with her brother Hatem farms 725 feddans by the Nasseriya canal northwest of Cairo, it pays to be an engineer rather than an agriculturalist when setting up a reclamation project, as planning the infrastructure of a farm is crucial to its success. Their engineer father founded the lower farm adjoining the canal in 1961. When the opportunity arose in 1986 they laid claim to a further 450 feddans up the hill. They have been able to develop these using their water quota from the Nasseriya canal.

At Nimos farm, coarse cloth shades flowers.

Viewing the Niazi Mostafa's thriving operation today, with its mature citrus and mango orchards in the lower farm on the newly reclaimed ground and the lines of vines interspersed with almond, apple and other deciduous saplings, it is easy to take for granted what you see.

But the metal road and power only arrived some five years ago, and power cuts are still common. What it all shows is that reclamation can be made to pay with proper funding and planning. Patience and management continuity are also required.

A.M.

Problems on the Road to Privatization

Privatization has moved center stage on the Egyptian economic scene, along with reform of the stock exchange and capital markets.

Opinions differ as to how the public sector should be divested. Progress so far has been leisurely; as of November last year, only around 2,000 small-scale locally owned public entities had been offered for sale, together with two hotels. There is a consensus, however, that the next 12 months will see radical changes in the public sector.

Public Investment Law 203 of November 1991 establishes the legal basis for the privatization of Egypt's 393 state enterprises as well as some 240 joint ventures. It appoints boards to run public-sector companies, the assets of which will be owned by holding companies structured on industry lines and controlled by general assemblies.

The general composition of the boards and the assemblies has been established — some 460 members of the Egyptian Businessmen's Association are among private-sector members appointed, together with existing public-sector managers. But the composition of individual boards and assemblies has not yet been announced.

While the private sector will be in a position to give the whole process a shove — the EBA is represented on all the government's privatization committees — it is not yet clear whose hand will be on the controls in individual companies.

The new law enables publicly owned companies to sell shareholdings without total privatization, although when more than 50 percent of the shares are divested, the entity automatically becomes part of the private sector. It will be the board's responsibility to determine how the company is to be restructured and, probably, how the public sector's work force (1.3 million in total) is to be trimmed to accommodate the new realities.

It is a popular misconception to believe that the winds of change are passing the public sector by or that existing managements are not looking at ways to utilize assets more efficiently.

The state automaker Nasco, faced with sharply lower orders, has already cut its work force by nearly one-quarter, to 11,000, and is seeking to lease spare capacity. It is also actively looking for joint-venture partners.

Arab Contractors (Osman Ahmed Osman), Egypt's biggest construction group with 48,000 employees,

> *The government is committed to a gradualist approach*

would welcome privatization. Since 1982, Arab Contractors has been unbundled into separate companies with their own executive boards, and it would easily adapt to privatization. From the company's point of view, this would also be beneficial in focusing attention on its 1 billion pounds of unpaid government bills.

Ismail Osman, managing director, says, "The problem is that the government owes us 1 billion pounds, we owe the banks this amount and we are having to pay interest. Profits are finding it hard to catch up."

Mr. Osman sees a privatized Arab Contractors subcontracting out much of its business to free-lance ex-employees. The company has its own training centers for employees and university graduate recruits.

This pragmatic step-by-step approach is questioned by Kidder Peabody, the privatization specialist financial group. It believes Egypt does not have the luxury of taking the gradualist road and should employ more drastic solutions. According to Aladdin Saba of Kidder Peabody, valuable time would be lost trying to put a price on assets without market criteria for judging performance.

The public sector possesses many underutilized assets — the insurance companies own a great deal of valuable property, and many state textile mills and cement plants have been renovated with the most modern equipment. The danger is that they would be sold for well below their market worth.

The government, however, is committed to the gradualist approach. The minister of cabinet affairs, Atef Obeid, says, "We have established a short list of 43 international and local consultants has been established to advise on the evaluation of companies. The first batch of 25 small to medium-sized companies has been selected for privatization, with a view to establishing joint ventures."

They will be analyzed for profitability, market potential, the restructuring requirement and their value. The hope is that by the end of the year, the analysis will be complete and these companies can be sold, if appropriate, either to individual buyers or by block shares.

The aim is to enlarge the private sector base through privatization, increasing the number of private investors in the process, and by stimulating private investment and mobilizing capital and savings, to shrink the power of the public sector.

Adel Al-Labban, of Commercial International Bank, says the private sector should be investing now. "You can buy assets for the same price they were 10 years ago," he says. "This is the time to take the risk." He adds, "A wait-and-see attitude could jeopardize a unique opportunity for realizing Egypt's economic potential."

It is essential that a great deal of effort goes into restructuring public sector companies in the coming year to make them salable, he adds.

This touches the broader philosophy behind privatization: the optimization of the state's investment and the release of resources for investment in areas that legitimately concern the government, such as job creation. This goes with the much broader information-gathering exercise being undertaken by the government with German assistance, which involves drawing a map of the country's economic activities. The human-resource inventory of this program should be completed in July.

A.M.

Debts Are Halved, Inflation Is Curbed, Dollars Flow In

Continued from Page 7

lic-sector borrowing requirement relieves pressure on the money stock, enabling a benign cycle to be established in which Treasury Bill rates are pitched lower, bringing down interest rates and helping to reduce inflation. It should give the authorities scope to relax credit ceilings later this year.

This is good news for beleaguered small businesses, which have taken the brunt of banks calling in loans. According to Nassef Sawiris, vice president of the trading and construction group Orascom, the credit squeeze and the ensuing shakeout were necessary for consolidation.

The experience of Karim Henein of the Egyptian Industrial Group bears this out. At the sharp end of the banks' reluctance to lend to small corporate borrowers, he cut his borrowings to the bone. He even constructed the plant that houses his cutlery business himself rather than take on further debt, and he is exploiting the skills he acquired by building a tourist hotel. Nevertheless, he says banks need to rebuild relations with small borrowers.

The lack of bank credit coupled with the high cost of borrowing should make a galvanized capital market attractive to the small corporate borrower, says Ali Tahry of Kidder Peabody. But Mostafa Khalil, chairman of Arab International Bank, says two changes are essential: "The government should consider exempting stocks and bonds from tax. Secondly, financial intermediaries should be created between banks and investment companies."

Changes to the real economy have to be in place if Egypt is to be competitively placed to take advantage of an upturn in the industrialized economies. Although the recession in Europe has held back nontraditional exports this year, they still represent the best hope for Egypt in the long term.

A Far Eastern glovemaker is doing a roaring trade with Europe out of the Amriyah Free Zone in Alexandria, and a group of Hong Kong entrepreneurs has been discussing manufacturing ventures with local textile interests. Access to European markets is likely to be more important in the long term than capital.

Meanwhile neighboring Arab markets offer a useful springboard for exports, which should be further boosted by news that the authorities are setting up an export credit agency.

Egypt should have little difficulty competing with other North African countries and Eastern Europe. It has the comparative advantages of cheap, abundant labor and the potential to benefit from economies of scale, thanks to its large domestic market.

A.M.

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Renewed Confidence

Continued from Page 7

that the government lacked the means and the managerial capacity to run the economy, but vested interests ensured that such thoughts were rarely translated into action. The dead hand of the bureaucracy became an excuse for failure, and it is easy to forget the debilitating effect of a system sustained only by its inertia and the idea that time was on its side.

It was the collapse of the Soviet Union and a socialist alternative to the market economy that more than anything undermined the position of the old guard and established the principle that only the private sector had the managerial capacity to promote investment.

This has produced a decisive break in the bureaucratic and policy logjam. Management of the economy is now a cooperative effort between government and organizations like the Egyptian Business Association. The reform process is in open water and being borne along by the stream.

This new dynamic in the reform process is perhaps the most encouraging sign that things have fundamentally changed. But it should not be overlooked that Egypt has a huge demographic problem, a chronic housing crisis and a severely underfunded social-service system. Unemployment among first-time job seekers is between 50 percent and 60 percent, and an International Labor Organization report estimates that Egypt would have to enjoy growth rates of at least 8 percent over the next 10 years to make much impact on unemployment.

President Hosni Mubarak — his skillful steering has brought Egypt back into the Arab mainstream.

In Egypt, many problems can be seen as opportunities, however. Despite the enormous physical constraints of poverty and demography, Egyptians have options not open to all developing countries.

They have space. The desert urban development program is an example of how old habits are breaking down and breeding a new frontier spirit on which the private sector is capitalizing. In assessing Egypt's potential, the depth and diversity of Egyptian life should not be overlooked — the multiplier effect operating in myriad ways to establish networks and business opportunities.

Egyptians have contacts everywhere, from Prague to Copenhagen, from Minsk to Lisbon. There are large expatriate Egyptian communities in Canada and the United States. These are all important assets when confronting the development challenge. The present economic improvement opens a window of opportunity, and the government has a coherent and sustainable policy to seize it. According to Aly El-Tahri of Kidder Peabody, all the elements for takeoff are in place. "The key word is confidence," he says.

Alan Mackie

Big Changes Leave the Banks Stronger

An air of cautious optimism is prevailing in Egypt's banking sector after a year in which fundamental economic reforms have led to considerable changes in the way the country's 200 financial institutions conduct their business.

Commercial banks have generally seen both their assets and deposits improve, while steps have been taken in the state sector to improve capital-adequacy ratios. With a new banking law expected to be implemented later this year, further rationalization is predicted.

The reforms were introduced in 1991 and are aimed at liberalizing the economy as part of a program agreed with the International Monetary Fund and the World Bank. They include the removal of controls on interest rates, measures to free the exchange rate and make the Egyptian pound fully convertible and the imposition of strict credit ceilings on bank lending.

As a result of the interest rate changes, many of Egypt's 38 commercial banks experienced a squeeze on funds: loan contracts issued at lower rates before the liberalization had to be honored, but higher rates had to be paid to depositors to attract customers. As the cost of funding increased, some of the banks had to carry the costs on their balance sheets.

On a more positive note, exchange rate liberalization and the stability of the Egyptian pound relative to the U.S. dollar have helped to attract deposits, particularly from expatriate workers who returned during the Gulf crisis in 1990.

Controls removed from interest rates

This has to be balanced against the fact that the credit ceilings, designed to curb inflation, have adversely affected banks' loan portfolios, while small spreads between lending and deposit rates have also narrowed opportunities for increasing income and profits.

Most commercial, investment and joint-venture banks have not yet reported their 1991 results, but initial indications are that the best-managed and well-funded institutions have managed to weather these radical changes successfully. Commercial International Bank, whose largest shareholder is the state-owned National Bank of Egypt, reported net profits of 75 million Egyptian pounds ($22.6 million), while its balance sheet rose to 4.4 billion pounds. The bank is now planning to increase its capital from 150 million pounds to 250 million pounds.

Egyptian American Bank, 51 percent owned by the Bank of Alexandria and 49 percent by American Express Bank, saw its net profits decline slightly, by 13 percent, to 65.9 million pounds, but analysts pointed out that this still represented an impressive 2.6 percent return on average assets and a 28 percent return on average equity. Assets rose 20 percent to 2.7 billion pounds. Deposits increased by 22 percent to 2.2 billion pounds, but lending fell marginally to 685.9 million pounds.

The Egypt Arab African Bank reported a slight rise in its assets to 962.9 million pounds, as well as in its deposits, to 470.9 million pounds. Profits reached 6.6 million pounds, up from 6.1 million pounds in 1990. The bank's shareholders include Arab African International Bank (owned by the Central Bank of Egypt, Kuwait's Ministry of Finance and other Arab interests).

The profits of Misr International Bank, Egypt's largest privately owned bank, were outstripped by both CIB and EAB, but MIBank still registered an increase of 22 percent in 1991 to 42.2 million pounds. Assets climbed substantially, rising by 36 percent to 6.2 billion pounds, largely because of a 38 percent rise in deposits to 4.6 billion pounds. The shareholders of MIBank, one of Egypt's joint-venture banks, include the First National Bank of Chicago.

As Egypt begins dismantling its large state sector, the financial sector is also gearing up for changes in banking legislation. A new banking and credit law under study will give the Central Bank extensive new powers to regulate and control banks.

Measures being discussed include allowing the Central Bank to order banks to raise new capital or to merge with other institutions, to set limits on the amount that can be lent to a single customer and to appoint directors and managers of banks. All local banks will be required to have a minimum authorized capital of 100 million pounds, and foreign banks will be allowed to establish representative offices in the country, subject to certain restrictions. In return, the Central Bank will ensure that no bank will be allowed to fail.

In the longer term, the reforms will produce a leaner but more profitable sector.

Pamela Ann Smith

Catering to Small Investors

As the government begins to dismantle the public sector in earnest, bankers, investors and financial advisors in Egypt are eagerly awaiting the passage of a new law to encourage the growth of the country's capital markets.

Without such reforms, the privatization program could be delayed, they say, and small investors in particular will fail to reap the promised benefits.

To date, progress on the public sector sell-offs has outpaced that of capital market modernization. In January, the first list of state-owned firms to be opened to private funds was published by the Cairo daily, Al-Ahram. These included 29 companies producing chemicals, fertilizers, paper, textiles, processed food, cement, ceramics and household goods, as well as others in the services sector dealing in shipping, real estate, tourism and agriculture.

Since then, Prime Minister Atef Sedki has announced the names of new boards of directors appointed to run the large public-sector conglomerates as holding companies under the new enterprise sector law passed last year.

More recently, international consultants and accountants have been invited to help the government evaluate the assets of targeted state-owned firms and to advise on how they can be privatized.

While some of these companies will be sold to specific investors, local and foreign, observers believe that a full-scale privatization scheme, as demanded by Egypt's aid donors, can only succeed if there are major modifications to the stock exchanges in Cairo and Alexandria.

400 state firms are to be sold

With some 400 state firms on the privatization list, and estimates that some $45 billion worth of state assets will be sold, the need for capital markets reform is urgent, bankers maintain. "The capital markets are under study," reports Mohamed Medbouly, board member of the state-owned National Bank of Egypt.

More limited attempts to privatize units owned by regional authorities in the country have also run into difficulties, according to local bankers, because of the inability of the exchanges to handle the volumes of trading that would be involved.

Other changes are needed to unify taxation rates for securities, the bankers say, and to remove existing restrictions on the level of yields allowed for certain financial instruments, such as commercial paper and corporate bonds.

Planning Minister Kamal Ahmed el-Ganzouri has cited some of these bottlenecks as reasons for the slow pace in reorganizing the public sector. Measures to ensure full disclosure of all relevant information were also needed, he added.

Late last year, the prime minister promised that vigorous action to stimulate capital market activity would be taken in the following few months.

Speaking to the People's Assembly on December 30, Mr. Sedki outlined some of the proposals. These would include setting up a structure to allow intermediaries and brokers to participate in the sale and purchase of shares, the introduction of computerized trading on the Cairo and Alexandria exchanges, and measures to allow bearer shares to be issued as part of plans to promote the growth of secondary trading.

For the country's investment banks and financial institutions, such reforms cannot come soon enough. The repatriation of huge sums of hard currency by Egyptian workers who formerly worked in Iraq and in the Gulf states has created liquidity that could be funneled to promote new private industries. But with transactions on local stock exchanges totaling less than $200 million in 1990 (the last year for which figures are available), much remains to be done if these sums are to be harnessed efficiently.

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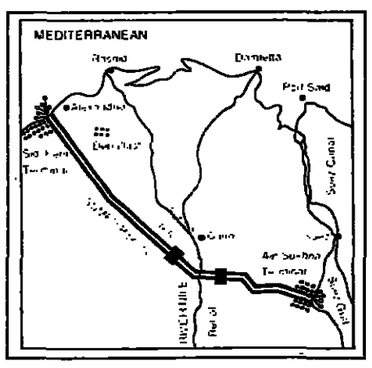

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Investment	12 581	17 814	24 899	27 682	34 009	41 213
Total Income	32 247	41 738	53 299	69 208	97 936	125 287
Net Profit after Tax	7 566	12 46	13 642	17 388	20 957	15 627

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GRAPHIA

Essential for development: a management training course at Sedico, in the Sixth of October city.

Training Is the Key to Development

Education and training are critical to Egypt's bid for development. The lack of skilled labor, particularly secretarial, is already hampering the expansion of some small and medium-sized businesses.

In the absence of an effective national training system, it is natural that companies, industries, guilds and even ministries have established their own training schemes. The new cities, for instance, have set up training institutes in response to the needs of their resident companies.

Tenth of Ramadan new city has a scheme run by the head of the city's Investors' Association, Mohammed Khamis, who operates a highly successful carpet factory. The center guarantees jobs for graduates. Sixth of October new city has a similar scheme.

This grass-root response to the shortage of skilled labor is clearly encouraging, and training is geared to the specific skills required by the industries, rather than dictated by academics sitting in government offices. If Egypt is to achieve the mobility of skilled labor it needs for sustained development, however, these schemes must be harnessed, their scope broadened and standards set and monitored so that workers can obtain certificates that have value in the marketplace.

The undersecretary of education, Mohamed Hadari, does not pull his punches. The problems with training start with the lack of the most basic information about the labor market, he says. There is equally a lack of information about the structure of the labor force and the future needs of the market; the Ministry of Manpower Training does not have the figures.

The dearth of statistics extends to technical training. Another disadvantage is the plethora of different training institutes. The Ministry of Education has its own technical, agricultural and commercial schools. The Ministries of Industry, Electricity, Telecommunications and Manpower Training have training schemes, in addition to those operated by large companies and organizations. The Helwan Steelworks has its own training school, for instance, and so does the textiles industry.

Germany leads the way with overseas help

There is little cooperation, let alone coordination, between these institutions and agencies. Mr. Hadari wants, as a first step, legislation to establish a technical training and standards authority that would oversee the collating and processing of information, the rationalization of different agencies, the proper coordination of courses and the setting of standards.

Under a recently signed agreement, Germany will help Egypt set up a training standards system. The intention is to introduce Germany's much-lauded dual system of training, with practical training in factories being added to theoretical training in schools.

The Germans are also cooperating in drawing up the specifications on standards for technical training. In addition, Egypt has a number of training agreements with Britain.

The challenges of training start farther up the pipeline with education. There are some 12 million students enrolled in Egypt's primary, intermediate and secondary schools up to the age of 14 — compulsory schooling has been reduced from nine to eight years in an effort to conserve resources. Only 2 million proceed to secondary education. As a developing country with a population problem, Egypt has lacked the resources to finance an effective education system, and funding will remain a problem. The five-year plan that starts in July envisages a near doubling of the education investment budget (including training) to 1.3 billion Egyptian pounds ($404 million) a year.

A.M.

The Real Tragedy of Subsidies

Tarek Heggy, chairman of Shell Egypt and a leading expert on economics, speaks out strongly on a subject of intense interest to Egyptians.

The real tragedy of subsidies can be attributed to the conflicting views adopted by the various parties engaged in the debate over the merits and failings of the system as applied in Egypt.

One group, whose members ascribe themselves to the "right," is calling for the removal of subsidies, which amounted to more than 10 billion Egyptian pounds ($3.1 billion) in 1989. That was exactly the size of the Egyptian budget deficit.

A second group, made up of the remnants of the Nasserite movement and the standard-bearers of socialism and communism, regards subsidies as an inalienable right of the classes living in grinding poverty that is the result of by the deteriorating economy, social injustice and class chaos now prevailing in Egypt.

The third group, made up of an eclectic mix of public figures and opinion leaders who adopt a "Machiavellian" attitude, believes that as long as subsidies continue to be applied in Egypt, no destabilizing effect on the Egyptian street may be expected, irrespective of how tragic the Egyptian economy is likely to be in the future.

The tyranny that marked the recent past in Egypt has affected the attitudes of the present political parties. Those who used to belong to the fascist party Young Egypt, Misr El-Fattah, now act together with the leftists to defend the subsidies policy, despite their well-known differences on all other issues. A liberal party like the Wafd illogically castigates the government whenever it tries to cut down subsidies.

These parties should liberate themselves from the conventional political dogmas and ask themselves: Do subsidies still go to those citizens who fail to cope with prices?

Subsidies were introduced in Egypt in the 1960s when the state was responsible for determining both wages and prices, ignoring the law of supply and demand. Eventually, the cost of financing subsidies spiraled out of control to eat away at the funds of Egypt. Nothing was spared.

It is obvious now that the enormous funds sunk into maintaining a subsidies program could have been invested in projects yielding a high rate of return for the country and consequently for its citizens. Huge amounts of capital were channeled into subsidies rather than into setting up new projects for the rising generations. As a result, social chaos and class turmoil are believed to be in the offing.

Tarek Heggy, chairman of Shell Egypt.

One of the most insatiable pockets for subsidies in the meager financial resources of a poor country like Egypt are public-sector units, which are either operating at a loss or, at best, realizing a narrow margin of profit that is totally incommensurate with the capital invested in them.

This prodigal outflow of capital affects the Egyptian citizen, who is deprived of the normal profits expected from any project, which should be used either to promote public services and utilities or to set up productive investment projects that can provide jobs for the millions of unemployed young graduates.

Advocates of political liberalism and a free-market economy maintain that it is only by abandoning its subsidies policy that Egypt can hope to climb out of the long economic slump that has made it one of the poorest nations in the world. It is risky, however, to remove subsidies in one fell swoop.

In order to get over economic stagnation, subsidies in Egypt should be phased out according to a comprehensive plan that provides for the allocation of the funds thus released to productive areas of investment that will generate high profits and create new job opportunities.

For many years, the official media launched a successful campaign to convince millions of Egyptians that they have a right to receive government assistance in the form of subsidies. This belief is firmly entrenched in the public consciousness. It is now high time for these same media to explain to the man in the street that the real beneficiaries of subsidies are the moneyed classes (the new upper class), while the poor derive absolutely no benefits from them.

Confidence in the government has been steadily eroded by years of broken promises on government spending. Although Egyptians are renowned for their stoicism and tolerance, their patience is stretched to the breaking point by the obvious discrepancy between the government's words and its deeds.

Any plan that is designed now must be carried out in full view of the people, the press and the whole world to reassure them that funds diverted from subsidies are allocated immediately to productive investment projects. Otherwise, it will be impossible to win public opinion over to the merits of such a move.

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Incentives for Oil Exploration

Cairo's oil men are going global as they seek to attract more bids for what they say are likely to be lucrative new concessionary areas in the Red Sea and Western Desert.

In the last few weeks, some of Egypt's oil experts, headed by the new minister of petroleum and mineral resources, Hamdi Aly El Banbi, have been to Europe and the United States trying to woo industry leaders with new oil exploration incentive packages.

At present, Egypt is producing about 890,000 barrels of oil a day and 1.2 billion cubic feet of gas a day. There are an estimated 6 billion barrels of proven recoverable oil and gas reserves. Some oil is going for export to earn much-needed hard currency (the Gulf crisis helped it earn $1.57 billion in the year ending June 1991), but the present strategy, according to Mr. El Banbi, is to concentrate on fulfilling domestic demand for refined petroleum products and natural gas as a fuel source. He estimates that domestic demand for refined products is unlikely to exceed 450,000 barrels a day by the year 2000.

"We hope to make new discoveries each year that will amount to 1.2 million barrels a day of oil/gas equivalent," says Mr. El Banbi. He estimates that because of various fuel conservation measures and the likely benefits from greater hydroelectric power, domestic oil demand will probably show an annual increase of around 5 percent by the end of the century.

"We are not planning to export more than 450,000 barrels a day, including the share from foreign operating companies, some of whom send their share directly to their own refineries," adds Mr. El Banbi. "We are under pressure to produce more, not export more, oil."

There are about 50 foreign companies investing in Egypt, 19 of which are operating at the moment. According to one company representative, the present general low level of world oil prices means it would not be unusual for some companies with marginal operations to cease their activities.

Major new discoveries of oil have been slow in coming, but production costs are relatively low, particularly in the Western Desert, where Egypt is pinning much of its hopes for the future. Eight new fields came into production last year, including three in the Western Desert.

"I think the Western Desert will continue to surprise us with small volumes of oil and much more gas," says Tarek Heggy, chairman of Shell Egypt. But there could be a problem with major gas finds as they would have to be piped into the Delta grid to supply industrial developments as either an energy source or primary feedstock for the petrochemical sector, which might be costly. Mr. Heggy points out that gas needs heavy front-end investment and companies that are prepared to tie

THOMAS HARTWELL

Hamdi Aly El Banbi, minister of petroleum and mineral resources — seeking new discoveries.

themselves down with guaranteed long-term gas flows. "At the moment we have only one buyer here, the government," he says.

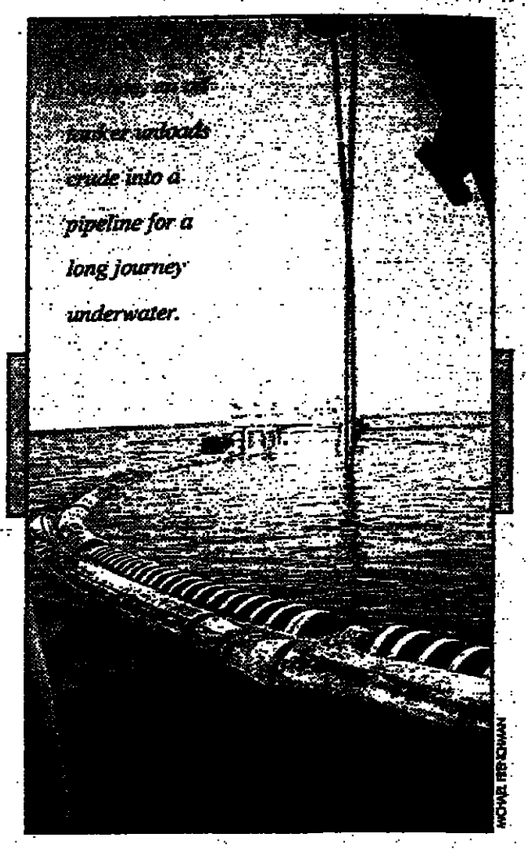
The man with the day-to-day task of selling Egypt's oil prospects to the world is Wafik M. Meshref, vice chairman in charge of agreements and a board member of the Egyptian General Petroleum Corp. Three major concessionary areas are being offered. Bids for two of them, the Gulf of Suez and the Western Desert, close at the end of July; those for the third area, the Red Sea, must be in by the end of September.

Dr. Meshref is also offering larger areas for the individual exploration permits than has been done in the past. In the Gulf of Suez the blocks are no longer restricted to 25 square kilometers. In the Western Desert the new blocks are up to 50,000 square kilometers.

Companies are also being offered what industry sources claim is unusually low-priced oil data packages for the bid areas: they cost between $20,000 and $30,000. Companies sometimes buy the data kits to help decide whether it is worth putting in bids.

By April, about half a dozen datakits had been sold; 12 bids had been received for the Western Desert concessions and six for the Gulf of Suez. Dr. Meshref says that when the bids are completed the oil companies will be investing about $600 million of new money in Egypt's oil exploration program.

Michael Frenchman



MICHAEL BRONSHAN

Underwater Route for Oil

A bright yellow buoy offshore from the Sumed terminal at Ain Sukhna is part of an underwater pipeline project carrying some 1.9 million tons of oil a day to the Mediterranean. It is called a single-point mooring system, or SPM. There are three at Ain Sukhna feeding crude from tankers into twin 42-inch pipelines stretching 320 kilometers to Sumed's other terminal at Sidi Kerir on the Mediterranean.

Almost half of Europe's total oil demand from Saudi Arabia is pumped through Egypt, with increasing amounts coming from Iran. Sumed is jointly owned by Egypt, Saudi Arabia, Kuwait, Qatar and the UAE. **M.F.**

Business Briefs

● **The International Company for Marble & Granite**, founded by Ahmed Eissa, aims to relocate its marble treatment facilities, currently in Baseteen, to its Sixth of October plant, where its granite cutting and polishing operations are already based. The company is producing 120,000 square meters of granite a year, around 50 percent of which is exported, principally to the Gulf area. Orders have also been received from the Far East, New York, Los Angeles and France.

● **South Egypt Drug Industries** (Sedico) expects to be in full production in 1993, three years after startup, says its chairman, Ahmed Aly Aboul-Enen. Sales are expected to exceed 100 million Egyptian pounds ($31 million), compared with 50 million pounds this year. The company is raising the number of product lines, which range from pharmaceuticals to nutrition products and cosmetics, from an initial 35 to 200, half of which will be fully integrated manufacture, as opposed to fabrication. Only 25 percent of turnover will be from production under license. Although the private sector now accounts for over 50 percent of the 2 billion pound local drugs industry, Sedico has set its sights on exports to Kuwait, Yemen, Libya and Saudi Arabia.

● **Bavaria Egypt**, the fire extinguisher manufacturer, intends to expand its export base. It recently opened a branch in Kuwait and has been exhibiting at commercial stands in Arab trade fairs. It has been actively prospecting markets and looking for agents or partners able to provide the quality distribution network and after-sales service that is the company's hallmark. It is also hoping to expand sales in Africa. The company, which has 70 percent to 75 percent of the local market for fire fighting equipment, recently opened its eighth branch in Egypt at Borg el Arab.

THOMAS HARTWELL

The smoked salmon of Egypt being prepared for the luxury food trade.

● **Bentley's Egypt** now ships its smoked salmon to Switzerland and Saudi Arabia, but its main market is wealthy Egyptians. Tourist hotels and airlines operating out of Cairo are its other main sources of business. Bentley's Egypt markets a range of smoked fish and shrimps and recently added quail to its selection.

● **Pan Arab Computer Center** is looking to the government sector, which accounts for around a third of its business, to tide it over the recession. PACC, the agent for Macintosh Apple and Egypt's premier software and applications specialist, is concentrating on its core business of building local companies' network capacities and making their interfaces more user-friendly, particularly in Arabic. PACC has made a major contribution to the Arabization of Apple's software. PACC also provides marketing strategies and solutions for localizing and sees a market for replacement technology once the recession eases. It is also trying to bridge the gap between universities and the private sector by organizing schemes to recruit and train computer staff for companies.

● **Orascom**, a trading and construction group, is part of a consortium headed by Dragados y Construcciones of Spain bidding for Cairo's second subway line. It is opposed by a French consortium that built the first line. The contract is due to be awarded in the third quarter of 1992. The scheme, which involves building a 5.5 kilometer tunnel linking the northern suburb of Shubra el-Kheima with the city center, will cost well over $1 billion, 25 percent of which will be in local currency, and take five years to complete. The Dragados bid will be financed wholly by commercial loans, according to Orascom's Nassef Sawiris. The company is confident that the Ministry of Transport can manage the financing and payments, given its track record in completing other major projects. "Coming up with $100 million a year is not unreasonable," says Mr. Sawiris. The economic benefit of the scheme cannot be measured wholly in financial terms, he says. The first subway line, which transports nearly 1 million passengers daily across Cairo, has been an exceptional success. Having just completed an 18 month assignment to lay the remaining 240 kilometers of double track between Cairo and Luxor, Orascom is now renewing the old track. This should be completed by June.

● **Mantrac**, general traders and the Caterpillar, General Motors and Ingersoll Rand agent, is bucking the recession thanks to a buoyant market for engines. Profits for 1991 were up in dollar terms, and business in 1992 is going better than last year, says Mantrac's chairman, Mohamed Mansour. "If you have the right product and the right backup and you have invested, maybe the overall market is coming down, but you are in a position to increase market share," he says.

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'Made in Egypt' Label Makes Conquests

A sign of the times — and perhaps a pointer to the future — is the tourists flocking to New Man's menswear boutique in Kasr el Nil Street, Cairo.

The French company New Man recently started manufacturing in Egypt and is trying out the product on the local market. The local market — or rather the advance guard from Europe, where the apparel will be marketed in the next year or two — appears to like what it sees. The prices are well beyond the range of most Egyptians but still absurdly cheap for the tourist, who pays less than half what he would back home.

Quality control wins export expansion

New Man is one of a number of Western clothing and shoe manufacturers established in Egypt. The growth of local manufacturing is one of the remarkable changes in Egypt in the past two to three years. Initially, the "Made in Egypt" tag was to be found predominantly on foodstuffs: brand names such as Nestlé, Cadburys and Heinz are common, and the list of locally produced foods and manufactured goods is growing.

Mahmoud Al-Habashi, selling fashion wear to Europe.

This new production caters primarily to the local market, but as the recession has deepened and the market become more crowded, the sights of Egypt's entrepreneurs have shifted. Exporting is becoming firmly established in the local private sector's lexicon as a profitable activity.

The main interest is in Saudi Arabia, the peninsula and neighboring Arab countries. Heavier manufacturers have links with the former East bloc, but as Egypt's exposure and self-confidence grow, the focus is shifting to Europe.

Mahmoud Al-Habashi, the founder and owner of the textiles company Dantex, understands the advantages of exporting. An expatriate Egyptian based in Denmark, he has a textile plant in Sixth of October City producing womenswear. When setting up the plant, Mr. Al-Habashi had intended to place half his production in the local market and export half. It soon became clear, however, that the local market was extremely difficult to please. The average Egyptian consumer wants a "creation" and is unhappy to find someone else wearing the same outfit, he says. He concentrated instead on exporting to Belgium, Germany and Scandinavia and has not looked back.

Improvements in operating conditions are helping the bottom line. Greater local sourcing has helped bring the time needed to complete an order down from two weeks to two days. When Mr. Al-Habashi started, he had to import all the cotton yarn he used because the quality of the local product was inadequate. "Now we have found two mills in Amriyah near Alexandria, and they have a very high quality," he says.

Mr. Al-Habashi's order book is full well into 1993. He insists on displaying the "Made in Egypt" label on his merchandise and won a significant victory by getting his Swedish customers to accept it. is on making relatively unsophisticated machines to begin with and on building up skills rather than buying in experience and technology.

GMC's first locally manufactured washing machine rolled off the production line in 1990; a dishwasher is to follow soon. The current 72 per-

Another company, Geneidy Manufacturing Co., the Sixth of October household-appliance and white-goods manufacturer, also takes the "Made in Egypt" label seriously. Founded by Mohamed Geneidy, a former military officer, GMC is committed to establishing its own tooling plant to enable it to develop fully integrated local manufacture.

"We start with a licensing agreement, build either in semi-knocked-down kit or completely-knocked-down kit form and complete local manufacturing within a three-year period," says GMC's works director, Omar Maher. He says the emphasis cent level of local content is due to rise to 95 percent by 1994.

GMC sees itself in competition with imports that it can undercut in price by 40 percent. The company believes it can double sales of cookers and washing machines to the local market. But it is also exporting, principally to Saudi Arabia, Libya and, it is hoped, Kuwait. It also has an agreement with Romania to supply kits and parts.

British Chloride is an example of a Western joint venture that has successfully taken root in Egypt and prospered, to such a degree that the Egyptian plant is now the most important worldwide of its traditional wet-cell battery operations. The Cairo operation has a reputation within the Chloride group for technical excellence and now provides the management and technical staff for setting up new plants in the region.

One key to Chloride Egypt's success — and the edge the company considers it has over competitors — is the attention given to quality control and building strong distribution and after-sales service networks. The Cairo plant has increased capacity nearly threefold since starting production in 1982, and as the growth in the local market has tailed off in recent years, the company has had to concentrate on exports, which now account for one-third of production. "We believe exports will show continued growth over the next few years," says Raymond Harding, Chloride Egypt's managing director. "We intend to increase capacity to 1 million batteries a year in the next two years. By then, we should be exporting half the production."

The main export markets are in neighboring Arab countries: Saudi Arabia, Libya, Jordan and the Gulf emirates. In the longer term, Chloride is looking to expand sales in East European countries when their economies pick up. A.M.

Washing machines on a GMC production line, destined for export and a home market.

New Factories Are Changing the Face of the Desert

The remarkable feature of most of the desert cities created around Cairo and Alexandria is the way they have changed over the past few years.

Tenth of Ramadan, the oldest, is unrecognizable to anyone who saw it during its rather bedraggled beginnings in the late 1970s. The architecture and the finish date the older buildings, but the rest of the city is a sprawling estate of many hectares of relatively modern factories — some 500 in all — straddling the main road to Ismailia.

The government is to build 254,000 new homes

Sixth of October, the junior city founded in 1984, has learned from Tenth of Ramadan's teething troubles. But most of the companies based in Sixth of October, like South Egypt Drug Industries, are there because by 1984 all the available space at Tenth of Ramadan had been taken. Now Sixth of October has 200 operating facilities, including the flagship General Motors auto plant, and is virtually full.

The same can almost be said for New Bourg el Arab, situated some 60 kilometers west of Alexandria. Here land prices have risen sixfold in the last six years, fueled by the need of Alexandria-based industries to expand out of their cramped quarters in the city's industrial zone.

Shehfe Casings Co. had to settle for the third zone in New Bourg el Arab when it considered relocating its Alexandria glue plant, because all the appropriate sites in the second zone had gone. The company had a very different experience a decade ago setting up a sheep casing plant in the Amriyah Free Zone, 20 kilometers west of Alexandria. There it was left to the company to provide its own power, water and communications; New Bourg el Arab, in contrast, is already divided into lots with access roads, power, water, sewerage, lighting and a new telephone exchange in place. Hospitals and schools are planned — amenities the first new cities lacked. New Bourg El Arab will be the first new city with its own technical university.

All this points to a revolution in urban planning and organization and the growing competence of the construction industry. This is of profound significance to the government's urban development plans — there are now some 15 new cities in all. Given the scale of the demographic problem, with the population rising by 1.4 million a year, housing comes only after food and clothing in the authorities' list of priorities for the 57 million Egyptians.

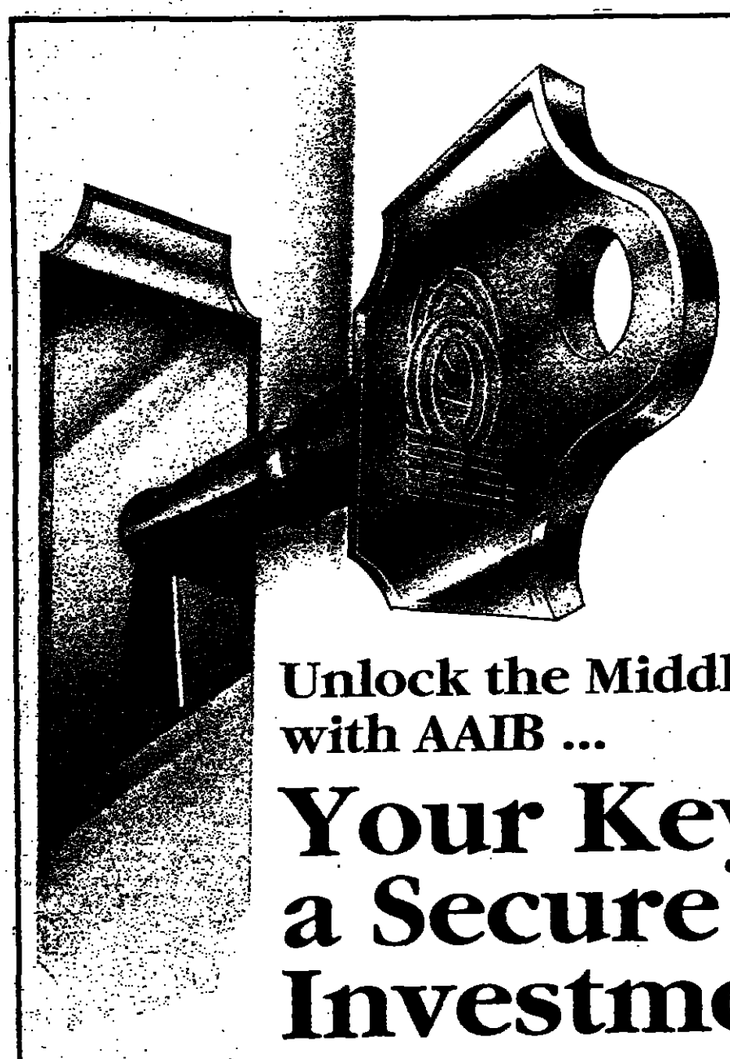
The government has earmarked 2.5 billion Egyptian pounds ($778 million) to build 254,000 new homes in the low, middle and above-average categories, of which some 100,000 have been completed in recent years, many in the new cities. But persuading Egyptians to quit the Nile valley and Delta has been hard going.

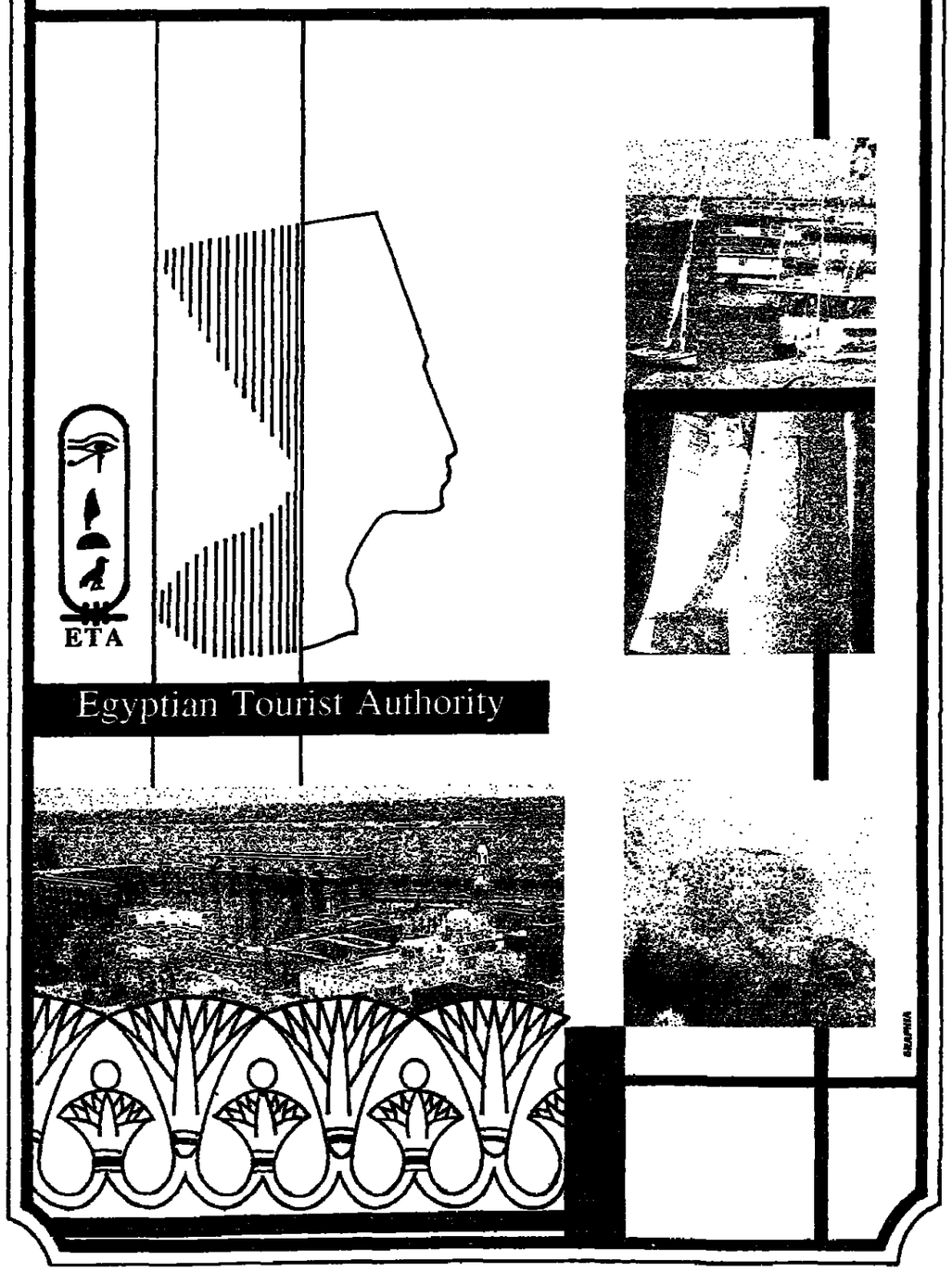
Standards are undoubtedly improving, particularly at the top end of the market, but the industry has been sorely hit by the credit squeeze.

U.S. construction companies continue to prosper from USAID- and FMS-funded programs, but these are beginning to wind down — although water and sewerage projects still have about five years of life in them. Some $600 million worth of new work is to be let soon in Alexandria.

James Pringle of the U.S. contractors Morrison Knudsen Corp. says, "For Egyptian contractors that have made the leap from local housing and have survived the debt crunch and the downsizing of the local construction market the prospects are good." Top companies like Orascom and Hassan Allam have the sophisticated computer-aided construction systems and the skills needed to compete successfully.

Foreign expertise may still be needed for specialty work, but these companies are moving into ever-higher technology and have already taken over many of the aid-financed activities previously undertaken by foreign companies. "The cost of one or two expatriates on a small project is uncompetitive compared with a well-established Egyptian contractor," says Nassef Sawiris of Orascom. A.M.





Egypt Shows It Has the Power To Bring Back the Tourists

Egypt is rapidly regaining its popularity as a tourist destination now that it has overcome the negative effects of the Gulf War.

The latest indicators confirmed hopes that tourism in Egypt would resume its phenomenal growth, hitting new records in 1992: 3 million tourists are expected to visit Egypt this year, possibly rising to more than 4 million next year and over 5 million in 1994.

The breakthrough was achieved in February with a new record for the number of tourists visiting Egypt in one month. The figure of 233,665 tourist arrivals in February represented a 307 percent increase over the same month last year, when the Allies were launching raid after raid on Iraq.

More important as an indicator of recovery is the fact that February's figure represents a 13 percent rise over the same month in 1990, which was Egypt's fourth consecutive good year for tourism before the onset of the Gulf crisis in August 1991.

The re-emergence of positive indicators has boosted the morale of Egyptian tourism professionals, while the speed of the recovery confirmed confidence about the industry's high level of development.

The Egyptian Tourist Authority had cooperated with travel agents to control the effects of the war and put together a plan for recovery. Recalling the first day on which a committee formed for that purpose met in January 1991, the chairman of the authority, Sayed Moussa, says, "We were supposed to prepare a plan of action on the day the war broke out, and we had a problem setting the date to start."

February breaks arrivals record

Describing the committee's task as an exercise in crisis management, Mr. Moussa adds, "We went ahead with our work, knowing that every war ends. And this was no exception."

While tourism in other Mediterranean and Middle Eastern countries also suffered the consequences of the fighting, the impact on Egypt was particularly strong. But because the Gulf crisis was in many ways comparable to a series of political events outside Egypt that marred the 1985-86 season, Egyptian tourism promoters were prepared by their experience.

While they realized it would have been hard to convince holidaymakers that the area was safe in the immediate aftermath of the war, they proceeded with coordinated efforts to distance Egypt from the troubled region and to build on the positive image it had developed during the crisis and war.

The first charter flight from Europe flew in one month after the liberation of Kuwait, although many Westerners remained reluctant to come. Meanwhile, Arab holidaymakers, especially Libyans, Saudis and Kuwaitis, enjoyed their summer holidays in Egypt at bargain rates, and business travel resumed.

Signs of recovery began to emerge at the start of the season in October and continued in November. The number of Westerners coming to spend their Christmas and New Year holidays in Egypt amounted to about three-quarters of those in 1989-90.

Mr. Moussa believes the industry is going through a period of convalescence in preparation for more rapid growth in 1993 and '94.

He believes that three factors will provide the impetus for the emerging positive trend. First, an intensive promotional effort is being carried out by the Egyptian Tourist Authority in conjunction with private-sector representatives, targeting new markets and seeking to attract nontraditional tourists. The second factor, he says, is the improved arrangements with Europe on airline traffic rights, which remove constraints on the number of flights between Egypt and Europe. The third factor is the exposure Egypt will gain as a result of holding the conference of the American Society of Travel Agents in Cairo next September.

Explaining the new drive to attract nontraditional tourism, Mr. Moussa says, "We have so far been successful in selling Egypt's history, and now we should try to be equally successful in selling its geography."

He was referring to the drive to develop touristic facilities in the area between Cairo and Luxor and to promote adventure travel in Egypt. Efforts are under way to cater to tourist needs in the area south of Cairo, extending from Fayoum in the east to the border with Libya in the west and from Sohag in northern Upper Egypt to the south.

O.T.

The lure of the ancient: tourists crowd the entrance to Cairo's Egyptian Museum (above), and a statue of Amenhotep III in the Luxor Museum.

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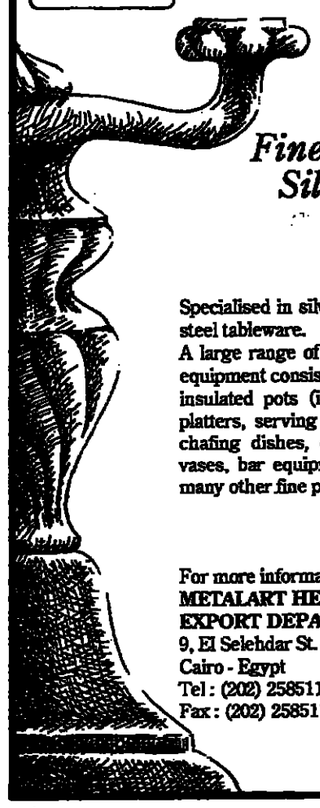

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Cairo Boosts Cultural Status

Paris has the Louvre, London has the British Museum and Cairo is soon to have a world-class museum that will add to its claim to be the cosmopolitan center of culture and entertainment in the Middle East and Africa.

The new museum is to be located on the outskirts of ancient Memphis, Pharaonic Egypt's first capital, close to other reminders of ancient Egypt's civilization: the Pyramids and the Sphinx.

The 200-acre area south of Cairo is to provide the space in which monuments of gods, god-kings and others dating back to the third millennium B.C. are to receive the exposure worthy of their historical value. Expected to house 160,000 pieces, representing a period extending from the Old Kingdom to the beginning of the Roman period, the new museum has yet to be designed by Italian experts. It is to consist of galleries as well as open-air exhibition spaces and is expected to cover themes such as medicine and architecture in ancient Egypt. It will provide appropriate space for treasures such as Tutankhamen's gold mask and funerary accessories, currently crammed into one room in the Egyptian Museum.

Egypt's history over various periods will be the theme of the Museum of Civilization, which is being completed in the cultural complex at Guezira in the center of Cairo. The complex includes the recently opened Museum of Modern Art.

Another unique cultural attraction in this part of the world, the Opera House, which was built with Japanese assistance, is the modern successor to the Cairo Opera, which was razed to the ground by a fire. Built by Khedive Ismail more than 100 years ago, the old opera was opened by Verdi's "Aida," which was especially commissioned by the Khedive for celebrations marking the opening of the Suez Canal.

The city itself is improving, with restored buildings, cleaner streets and more orderly traffic.

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Gervex's "Rolla," (1878): Backed up traffic to the Avenue de l'Opéra.

Gervex: When Talent Never Really Works

By Michael Gibson
International Herald Tribune

ENDOWED with a wonderfully easy talent and appreciable charm, Henri Gervex (1852-1929), the son of a Montmartre piano maker, executed his first sensation-making painting, *"Rolla," at the age of 26.*

He ran his career with brilliance and deceptive ease, was on the best of terms with Manet, Degas, Renoir and other Impressionists (Renoir portrayed him as the dancer in the middle of the "Moulin de la Galette"), enjoyed powerful political protection, cruised the Mediterranean with the idiosyncratic millionaire (and owner of the New York Herald) James Gordon Bennett, got himself happily enshrined in the Institut de France at the age of 61, and was promptly forgotten upon his death [illegible].

The Galerie des Beaux-Arts in Bordeaux is currently presenting 120 of his works in an exhibition that will be going to Paris and Nice next year and which, while revealing a number of good paintings (and some less good), raises intriguing questions about why even some of his more attractive works sometimes fail to satisfy fundamental aesthetic standards.

Gervex studied under the academic painter Cabanel at the Beaux-Arts (Cabanel committed an unforgettably saccharine "Birth of Venus" that I saw in the Musée d'Orsay), but he was close to his seniors, Manet and Degas, and admired the former's fresh colors and the latter's naturalism. They in turn offered him advice. Thus, in one early painting representing an autopsy, Gervex unthinkingly painted the doctor's assistant with a somewhat sentimental expression. Degas came by and looked at it.

"Haven't you visited a dissecting room?" he asked. "Medical students are not impressed by cadavers. Have yours roll himself a cigarette." Gervex followed his suggestion, as a photograph of the (now lost) work reveals.

Gervex's most famous painting, "Rolla," illustrates the end of a sentimental dramatic poem in which Alfred de Musset relates the fate of the roisterer Jacques Rolla, who decided to kill himself after having spent the last crumbs of his fortune on one last night with a lady.

IN the painting, the fateful day rises with Rolla standing somberly at the window, gazing back into the room where the girl, Marion, is sleeping, all peaches and cream, on immaculate sheets while her clothes, together with his cane and top hat, lie in a suggestive jumble on the floor.

"Rolla," rejected by the Salon as "immoral," was promptly displayed by a dealer on the Chaussée d'Antin. Its success was so great that, for three months, traffic was backed up all the way to the Avenue de l'Opéra.

Immoral? The issue provides sociologists with some juicy material, the gist of their findings being that it was all right to paint a nude (especially of the glossy, Cabanel-pin-up type) sleeping in a bed, and all right to paint a pile of clothing. But when the two are presented together, the obvious implication emerges that the girl is not an aesthetic, allegorical nude, but a woman of flesh and blood who has actually removed her clothing —something quite unacceptable to a conventionally puritanical age.

This is just a matter of historical interest now, but the painting confronts the modern viewer with quite another dilemma: It is appetizingly painted, the light is marvelous, the brushwork on the clothing is as free as any Impressionist could hope for, and yet something strikes one as wrong.

What is wrong, mainly, is the relationship between the various sections of the painting. If Rolla, the girl and their clothes were in three separate frames, the effect would be quite different.

Rolla himself is a rather fine Romantic study of a saturnine youth (the shirt is particularly well painted). Marion is a standard academic nude that has somehow been teleported into the crisp sheets of a cozy upper-bourgeoisie flat. And the clothing could be an Impressionist still life. Bringing the three together in a single painting stresses the banality of the anecdote and suggests that Gervex was attempting to have the best of all worlds.

IN due course, Gervex married one of his students, a girl belonging to the Protestant upper crust, and despite the parent's misgivings, became a model husband and father. Some of his most charming works are devoted to his family: a portrait sketch of his sleeping wife, a delightful portrait of his baby daughter Colette taking her first steps, and a portrait of his wife's niece, Simone Bérard, a little girl with her bucket on the beach, scrutinizing the viewer with uncommon intensity.

He also did some portraits of James Gordon Bennett, who came to call on him one day, holding his paper in his hand: "Have you read the Herald today?" he said, chuckling. "There is a very offensive article about your portrait of Prince Victor Bonaparte!" Gervex showed the portrait to Bennett who liked it. "I want you to paint my portrait in the same style. We'll show it at the Salon and see if my man has the gall to criticize it!"

Gervex's main problem is that he was not an outsider in any sense. He cheerfully accepted all the social indicators of his day and used them in his paintings. But the society he so thoroughly enjoyed and which he served so well was utterly swept away by World War I. Its conventions now strike us as stuffy, and the works that reflect them lack the enigmatic intensity of Manet's conceptions, for instance, or the individualism of Impressionist paintings that take the countryside for their subject and that have little to say about society as such.

Gervex's talent often yielded pedestrian results, but then he was the happy companion of a pedestrian age.

Henri Gervex, Galerie des Beaux-Arts, Place du Colonel Raynal, Bordeaux, to Aug. 30. Musée Carnavalet, Paris, Feb. 1 to May 2, 1993; Musée des Beaux-Arts, Nice, May 27 to Aug. 29, 1993.

French Furniture: Not Everything Goes

International Herald Tribune

NEW YORK — Few professionals can doubt, after the memorable sales of French furniture held at Sotheby's this week, that the market has entered a new phase in which everything is scrutinized with a critical eye. The contrast between the first day, in which every one of the 103 lots found a buyer, for a total of $15.88 million, and the second day, when quite a few pieces dropped dead along the road, could hardly be more dramatic.

On Wednesday, the subject was the most dazzling group of 17th- and 18th-century furniture from France seen in a New York auction in

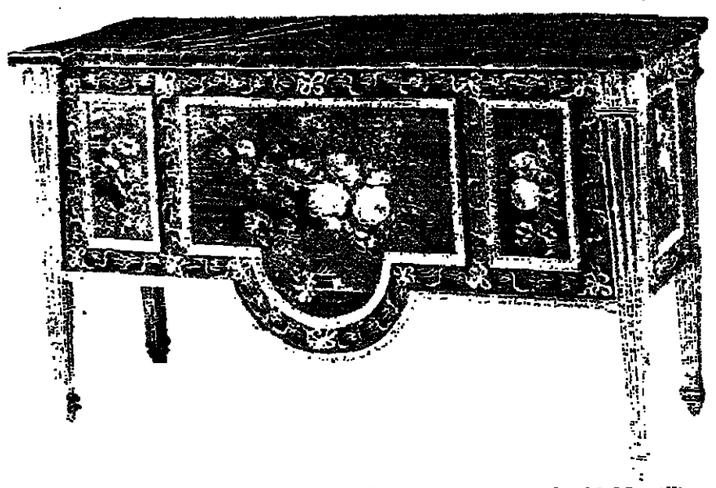
SOUREN MELIKIAN

the last three decades. Partly inherited from his father, Antenor Patiño, but mostly acquired by him over the last 25 years, the furniture that graced the Geneva residence of Jaime Ortiz-Patiño was a collector's choice in the most traditional sense of the word: hand-picked with the ease that enormous wealth ensures, but bought for love, with patience and flair.

The most demanding among the handful of the top French dealers — whose knowledge in this area remains unrivaled — expressed admiration. Michel Meyer called the group "the cream of a quarter of a century's collecting with almost no mistakes, perhaps 3 percent, nothing of any consequence." Yet the success was anything but a foregone conclusion. In the past few months, transactions exceeding $200,000 have been scarce in the trade, whether in Paris, London or New York. Simon de Pury, who became vice chairman of Sotheby's Europe in October and personally conducted an intensive promotional campaign for the sale, concedes that his own expectations ran only to a total of $8 million to $10 million.

AMONG the factors that tipped the scales in the right direction was the presence in the collection of four of those pieces that can truly be called unique and that will get collectors into that state of obsessive excitement comparable with the addict's urge. Anyone who is seriously concerned about French furniture the world over was either in the room or on the phone to Sotheby's agents.

Within the first 10 minutes, it became clear that the auction would fare well. Some decorative objects went through the roof. A Louis XV mantel clock with a rhinoceros perched on a stained horn base shot up to $275,000, a large price equal to what a high-powered dealer might be charging. As the first lots of furniture came up, competition intensified. One of the weaker pieces sold without a hitch. Described



A Louis XVI-style commode, circa 1770, went at auction for $1.98 million.

as a "rare Louis XIV ormolu-mounted, ebonized and fruitwood marquetry commode," but considered by some to be Dutch or English with ormolu mounts added later, it slightly exceeded the low estimate at $176,000. The "rare Louis XIV" desk that followed, with fruitwood lacquer, brass and pewter marquetry, is likely to be Flemish, Meyer says, noting the *burgauté* lacquer border, "typical of Antwerp." This nearly made it to the high estimate at $319,000.

Then came one of the greatest rarities in the collection. The small Louis XIV table with figural scenes featuring Chinese characters in stained horn, mother-of-pearl and brass marquetry belongs to a group hardly ever seen at auction. By coincidence, a specimen identical in design, but with different colors in the marquetry was in the Keck sale on Dec. 6, 1991, when it made $962,500, far above the $400,000 to $500,000 estimate. The Ortiz-Patiño piece, which carried a similar estimate, inched its way up to $1.87 million, as dealers watched with a mixture of rapture — the market is alive — and peeve — none of them would dream of asking for such a price.

That settled the course of the sale. The rebound effect could be measured on the next lot, a pair of carved gilt wood *ployants* (stools) catalogued as French, late 17th century, but probably Northern Italian and somewhat later. Rare and superb, these went for $253,000, more than half again above the high estimate. A splendid bureau plat done in the manner of André-Charles Boulle around 1710-1715 realized $770,00. It is close to one bought by the J. Paul Getty Museum from Meyer a few years ago. The glamorous parallel may have boosted its price.

Soon it was the turn of the second great rarity. The marquetry jewelry cabinet, shaped like a small table carrying a casket, is of almost unparalleled fineness in execution, from the small gilt bronze sirens serving as mounts on the legs to the Chinoiserie scenes in marquetry. It rose to $352,000, courtesy of the Paris dealer and Drouot expert Jean-Paul Fabre. When the third lot of paramount importance came up, William Redford, the dean of London dealers in French furniture, presumably acting on behalf of a client, took over. He acquired the fantastic pair of Louis XVI commodes with Japanese lacquer landscape panels executed by Etienne Levasseur, for $1.705 million, outbidding Jean-Marie Rossi, one of the Paris stars in the French furniture trade.

The apex was reached later, with a commode in the style conventionally called Louis XVI, although this one was designed around 1770 under Louis XV. Its distinctive feature lies in the decoration of flower still lifes done by the painter Jean-Louis Prévost over the sycamore veneer. Of the eight pieces thus decorated on a sycamore ground, the commode appears to be the only one to have escaped adaptation. "A unique price for a unique piece," was Meyer's comment as the commode ended its upward course at $1.98 million.

Thursday's sale of furniture from various owners could have been taking place in another world. Of the 83 pieces offered, 39 were left unsold. Barbara Piasecka Johnson had consigned several of the most glamorous lots and hers is a well-known name. The heiress to the Johnson & Johnson pharmaceutical fortune made history in the last decade as she bought the most expensive 20th-century bronze statue and the most expensive Old Master drawing (Raphael, an auction record that still holds). With Elisabeth Keck and Jane Wrightsman she was one of the three women who gave a decisive boost to French furniture prices in the 1980s.

But paying a maximum for nice pieces in the best auctions, or to the best dealers, is not per se a recipe for financial success when the crunch comes. At one point, four of the Johnson pieces failed to sell in a row. A Louis XIV Boulle table of the early 18th century acquired for $220,000 at Sotheby's, New York, in October 1983, was bought in at $325,000. A Boulle commode of the late 17th century, quite fine, fell at $350,000, followed by a pair of Louis XV bergères, stranded at $190,000. These came from Sotheby's New York auction of May 7, 1983, when they cost her $203,500. A set of Louis XV giltwood chairs with the mark of Nicolas Quinibert Folliot, seen at Sotheby's Monaco sale of Dec. 4, 1983, where it made the equivalent of $124,000, stopped dead in its tracks at $140,000.

THERE were a few fortunate exceptions. An admirable Louis XIV writing table ("bureau plat") of hers, made in the boldest Boulle manner around 1700-1710, was a modest compensation for these and other failures as it climbed to $935,000. A magnificent carved giltwood four-poster of the Louis XV period which tripled the high estimate was a brilliant success story at $440,000. Weighing against these were such nasty crashes as the "rare suite of Louis XVI boxwood seat furniture" bought in at $275,000. This hardly came as a complete surprise. Many years ago, when they appeared at auction, Meyer told his colleagues from Antiquaires à Paris, a loose dealer's grouping, that only two of the 10 seats were of the Louis XVI period; the others, he warned, were 20th-century copies.

When another dealer who bought them wanted to display the set in the 1978 Antique Dealer's Biennale, the vetting committee threw it out.

French furniture is a difficult field, which requires years of visual training, preferably some firsthand acquaintance with restoration workshops and a sound understanding of ormolu (gilt bronze) fittings. A handful of collectors eventually qualify the world over. The others must rely on their lucky stars. On Thursday that star kept blinking, as will often happen in times of crisis.

FOR SALE / SOLD

Sale of the lock: A lock of hair from the English romantic poet George Gordon Lord Byron is expected to fetch up to £500 ($900) when it is sold at auction on June 22, according to the London auctioneer Bonhams. The twist of brown hair is tied in a loop with a green silk thread and framed in a silk-lined case. Byron gave the memento to a fellow student, John Fitzgibbon.

Recounting the Civil War: A British reporter's unpublished account of the fighting in Virginia in 1862 during the American Civil War will be sold in London next month. Bonhams, the auctioneer, said it expected up to £3,000 for the 700-page manuscript by Thomas Butler Gunn. It is being sold by his descendants along with the two surviving volumes of the diaries, photographs and his drawings of Indians and battle scenes. Gunn reported the war for the New York Evening Post and the New York Tribune.

Party dress: An elaborately embroidered silk dress made in Spain about 1775 was bought by the New York dealer Martin Kamer for £30,800, a record for any 18th-century costume, Sotheby's in London said. The floor-length brocade dress, richly decorated with butterflies and flowers, came from an unidentified Spanish aristocratic family and had a top presale estimate of £8,000. The auctioneer's costume expert, who called it "the ultimate party dress," hinted that the dress might be going to Japan, where "things that the West takes for granted are very appreciated."

No hammer for Goya: A canvas by the Spanish court painter Francisco José de Goya — the most important Goya to come on the market in 20 years — failed to sell at auction by the Madrid house Edmund Peel, despite a bid of $2.1 million. That bid was below the minimum set by the seller. The painting, "The Embroiderer — Juan López de Robredo," is a three-quarter length portrait of López, embroiderer to King Carlos IV. The painting has been included in every major Goya exhibition this century. It has an export license, allowing it to be taken abroad.

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NYSE

Friday's Closing

These are not the nationwide prices up to the close on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued on Page 19)

NYSE Highs-Lows

NEW HIGHS 48

AlcoaAsh n, ArtiPS odt p, BkNY cdt pfA, BeshSt s, BrkSt pf, BurlsIn rt, Chic 4pf, ChicoTec pf, ChrstLt pf, DytaSys s, Eastmn, Emerson, PtFtdBco pfB, PtFtdBco pfD, Fnnie, FnnieMa, HaugKTel, KoneaPpr, Kowa pf, LIL Co pfB, Lotarse, LIL Co pfD, NBD Bncp, NBNY Pfd, NatSemi, NBD Pfd, NatSemi pf, PNB Pfd, PNB Pfd, Polaroid, Polrsh s, PrimeInd, PrimeInd, SLX Corp, Solomn pf, SPERR pf, Sonoco, Sotheby pf, SouthJnl, Stanadyn, Sinnovat, TCF Fin, TransTech, UJB Fncl, Wynedal

NEW LOWS 12

BtstnHAG n, Britamco, CapitlCit s, CrbnInd, DataGnl, DeltE PSnrB, Gdschnk, HowTch, LeMaitre s, Lotsoff, PrdtCo, Rahr Inc, Unified, RsnTch, Tymshr, UnvWldFd, WestcstEn s

AMEX Highs-Lows

NEW HIGHS 16

Alcso pf, Citi Rivet, ElecMdor, HmthBcp, ExplorLA, Newtek, LtrcNtc, MedChal, Mumfrd, NtlGsA s, OrbitAT Co, PrkeBcp, PhilLtCo, Protein, PrkerDrlg, SmcSemic, WhCPt pf

NEW LOWS 12

AmTr 8pn ac, FstNtCalif, GW Util, PNBNCo Nt pf, Peerless n, SmallMedic, SoBnk wtA, SoBnk wtCw, Stonrdg, Ultrtch

International Herald Tribune

BUSINESS/FINANCE

** SATURDAY-SUNDAY, MAY 23-24, 1992

ECONOMIC SCENE

Lawns and Dinner Tables Hold Homely Indicators

By Don Oldenburg
Washington Post Service

WASHINGTON — Government economists, who gauge their monthly forecasts on charts, graphs, statistics and economic indicators, in recent months have stimulated Americans' desire for better days with modestly upbeat analyses.

In April it was the good news of a "0.2 percent increase in the Index of Leading Indicators." March was giddy with the report from the Department of Commerce that "Americans' personal income rose 0.6 percent, to a seasonally adjusted annual rate of $4.99 trillion."

What do these statistics mean to everyday life? Using such economic indicators as durable goods orders, producer price index and gross domestic product, economists tell us the recession is over, even if the recovery has not conspicuously arrived yet.

When weeds and macaroni-and-cheese abound, recession is still around.

But there are real-life indicators that are heard when ordinary people put their collective ear to the ground and listen for the sounds of the economic squeezes and scrunches — or for a long sigh of relief.

"Obviously recessions aren't economic in nature only. They have social, political, moral and spiritual implications," says Gerald Celente, the director of the Socio-Economic Research Institute, in Rhinebeck, New York, and publisher of The Trend Journal. "Our society relies too heavily on quantitative analysis to give us answers."

Here is a sampling of some decidedly empirical indicators:

●●●

Some Americans habitually pick up coins from the ground. A larger percentage pass by pennies but do not mind squatting in public for a nickel or more. Okay, so everybody has his price, and during recessionary times people's prices tend to drop.

In his running columns during the early 1980s, the late marathon runner Jim Fixx noted that the coins he collected from roadsides while long-distance training proved to be a good indicator of bigger economic change. Few coins mean hard times; many mean good times and less stooping.

A casual survey conducted on Washington and suburban sidewalks discovered a small yet seemingly significant increase in the daily average number of coins left unwanted over the past 10 months.

●●●

When grocery money gets tight, Americans eat more macaroni-and-cheese. While economists argue the merits of such a statement, Kraft — the best-known maker of packaged macaroni-and-cheese — has watched its sales and market share for the high-carb product increase in the past two years.

"We don't track our own performance to the economy, so you'll have to draw your own conclusions," says Nancy Nevin, manager of communication for Kraft General Foods Inc. in Northfield, Illinois, which introduced the first dry-packaged macaroni-and-cheese meal in 1937.

In 1991, Kraft's "dry pasta dinner" category of products, which includes our cheesy indicator, totaled a 380-million-pound (172 million kilogram) business. "That is a lot of mac-and-cheese," Ms. Nevin says.

●●●

Cursory inspection of your neighbors' lawns is likely to turn up a frightening spread of weeds — in numbers and exotic varieties. The theory is that in prerecession years, the onslaught of lawn-debilitating weeds was more often hampered by herbicide applications or more benign methods.

But when discretionary income gets tight, professional lawn services often get trimmed from the budget. A spokeswoman for the Professional Lawn Care Association of America, in Marietta, Georgia, confirms that in every recent year until 1990, the

See SIGNS, Page 19

OPEC Deal Stands to Underpin Prices

Compiled by Our Staff From Dispatches

VIENNA — OPEC oil ministers agreed on Friday to freeze most members' crude output limits at current levels but to let Kuwait increase production as its damaged oilfields came back on line.

Industry analysts said the accord hammered out during two days of talks would probably keep oil prices steady for the next few months.

Prices ended slightly higher on Friday. Light sweet crude for July delivery gained 4 cents, to $20.94, a barrel on the New York Mercantile Exchange.

The New York stock market viewed the agreement as good news for oil companies, and Chevron, Texaco and Exxon led the Dow Jones industrial average moderately higher. Oil services companies suh as Schlumberger and Baker Hughes also rose.

Ministers emerging from Organization of Petroleum Exporting Countries strategy talks in Vienna said they had agreed to extend their second-quarter production ceiling of around 23 million barrels per day into the third quarter of 1992.

But Kuwait's oil minister, Hamoud Abdulla al-Rooba, said there would be no limits on the emirate's output as it rebuilt its industry after the devastation of the Gulf War.

Iraq's oil minister, Osama al-Hiti, said he refused to sign the agreement because "the Saudis were dictating the positions" of other producers.

Paul Mlotok, head of energy research at Morgan Stanley & Co., said the deal would probably raise OPEC's production limit to about 23.5 million barrels per day in the third quarter.

If members exceeded their quotas at current rates, actual output was likely to approach 24 million, he said, but he added that it was normal to build inventories in that quarter, "so the situation seems as if on an unofficial basis it will work out to about the right solution."

Prices will probably shake out "more or less around current levels," he said.

This would leave prices below OPEC's target of at least $21 a barrel, but above the prevailing prices in the first quarter and perhaps in the second quarter as well. OPEC's reference basket of seven crudes averaged only $18.48 last week.

Delegates said Saudi Arabia, the world's largest crude exporter, with more than a third of OPEC's output, had wanted to raise production to help markets to prepare for what was likely to be brisk demand in the fourth quarter of the year.

Iran, OPEC's second-largest producer, argued vigorously against raising the output ceiling until prices got closer to the $21 target.

But OPEC's two biggest powers signed the current deal, which included the same formal reservations they expressed in February when OPEC set an official output ceiling of just under 23 million barrels per day.

In fact, output by the 13-member producers' group averaged 23.3 million barrels per day in April. *(Reuters, AP, Bloomberg)*

U.K. Deals Blow To Lloyds Bid For Midland

Compiled by Our Staff From Dispatches

LONDON — The British government on Friday called for a monopoly inquiry into Lloyds Bank PLC's proposed bid for Midland Bank PLC but allowed an offer by rival bidder HSBC Holdings PLC to proceed.

Lloyds said it would not withdraw its proposed offer, despite the decision by the Department of Trade and Industry to refer its hostile proposal to the Monopolies and Mergers Commission.

A spokesman for Lloyds said the bank was "determined to make the benefits of its offer available to the shareholders of Midland Bank," provided that Midland shareholders reject HSBC's offer and the bid is cleared by the U.K. antitrust authorities.

Lloyds, which is in direct competition with Midland in the British commercial banking sector, proposed a conditional offer for its rival valuing Midland at a theoretical £3.7 billion ($6.75 billion), but has made no formal bid as yet. Its proposal to launch a counterbid was conditional on both bids being treated equally by investigative bodies.

The department, meanwhile, said it had no objection on public interest grounds to the £3.3 billion offer made last month by HSBC Holdings, parent of Hongkong & Shanghai Banking Corp., for Midland, in which it already has a stake of almost 15 percent.

"We are obviously pleased at the DTI's ruling," an HSBC spokesman said. "This means we can proceed as planned."

The EC Commission cleared HSBC's bid on Thursday and has already said it had no reason to investigate Lloyds's proposed bid.

In its decision on Friday, the Department of Trade and Industry said it believed that Lloyds's proposed acquisition raised competition issues in the U.K. market for banking and associated services that deserve investigation by the monopolies panel.

Lloyds said it "firmly believes" that a Lloyds-Midland merger would be in the U.K. public interest and is "confident that it can satisfy any issues that may be raised" by the commission. The commission is required to make its report by Aug. 25.

Analysts called the government's decision a setback, but said they expected Lloyds Bank to continue its fight.

Nick Gough, an analyst at County NatWest, said he expected Lloyds to waive its own condition under which it had said it would not bid for Midland if its proposal was referred to the monopolies commission and HSBC's bid was not.

"Clearly this is disappointing for Lloyds, especially that the HSBC bid was not referred, but it is not the end," Mr. Gough said.

Lloyds could use delaying tactics, he said, such as taking the HSBC bid to the European Court in Luxembourg, which could take up to two years to investigate.

The bank also could call on the U.K. authorities for an injunction against the HSBC bid on shareholder grounds, Mr. Gough said. *(Reuters, Bloomberg, AFX)*

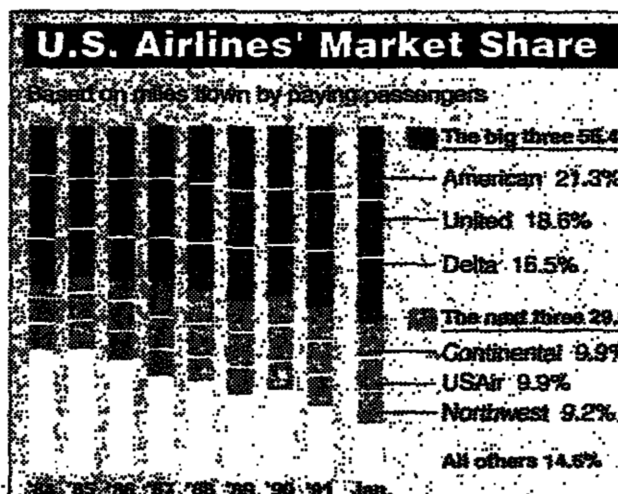
Big Airlines Needn't Be Bad, Experts Say

By Peter Passell
New York Times Service

NEW YORK — The bloodiest battle for mastery of the skies may be at hand.

Many industry observers say the steep cut in fares that American Airlines initiated last month could bury three competitors operating under the protection of the bankruptcy courts: Trans World Airlines, Continental Airlinesand America West. And the cuts could mortally wound two others, USAir and Northwest Airlines.

Could the struggle for the air traveler's dollar ultimately leave just three behemoths — American Airlines, United Airlines and Delta Air Lines — to serve the U.S. market? Market-minded economists are scoffing no more. They now concede that further consolidation is in the cards.



The New York Times

But this does not mean that the economics of air travel dictates some small, magic number of survivors. Indeed, many contend that a blind faith in the advantages of size has been the undoing of some of the giants of yesteryear.

But most important, they are cautiously optimistic that the spectacular progress in reducing the average fare and providing far more frequent service — improvements that airline deregulation has brought consumers — will not be lost in the consolidation.

And while these specialists are not looking forward to testing the proposition, many now believe that three to five national carriers, plus a few low-cost regional airlines, could provide all the competition needed to preserve the fruits of deregulation.

One big result of deregulation was the economic advantages of large route systems linking cities through hub airports.

It takes 10 planes to provide nonstop service simultaneously on 10 routes, notes Alfred Kahn, who, as the airlines' chief federal regulator in the 1970s, led the fight for deregulation. But the same 10 planes in the air, he points out, can serve 70 routes by shuffling all passengers through a central hub.

Most travelers, as well as big airlines, have been winners from the rush to hub-and-spoke systems.

If economists were surprised by these economies of scope, they were truly flummoxed by the success of marketing strategies, pioneered by American Airlines, to take maximum advantage of size.

First on the list is frequent-flier benefits aimed at business travelers. Then there are the industry-wide computerized reservation systems, installed in travel agencies by the big carriers.

Advantages achieved through size, in the view of Clifford Winston, an economist at the Brookings Institution, do not fully explain why so many carriers have bitten the dust in the last few years. Size alone, Mr. Winston notes, did not save Eastern Airlines and Pan American World Airways; nor did size spare Continental from bankruptcy court.

The decisive factor in virtually every failure, Mr. Winston said, has been the inability to aim at a lucrative market or to control costs in a business that operates on razor-thin margins. What all the battered carriers shared, he notes, was a penchant for growing too big, too fast.

To Michael Levine, dean of Yale's School of Organization and Management, overcapacity guarantees further consolidation. But he says it is far from inevitable that a market-driven consolidation would leave just three major carriers.

Mr. Levine, who earned his spurs as president of the now-defunct New York Air, is particularly intrigued by the case of little Southwest Airlines, which has the lowest costs and highest rate of profitability in the industry, because it is evidence that a well-managed airline can still succeed by casting itself in a fresh mold. Southwest, he notes, is too small to benefit from a full-court marketing press. It does not restrict flights to an efficient hub-and-spoke system. And it does not even exploit its outsider status and Sunbelt location by paying nonunion wages.

What it manages to do very well, though, is to provide frequent, no-frills service on busy routes at rock-bottom prices.

Mr. Levine is optimistic that other low-cost carriers could find niches outside the path of a predator.

If most specialists are more sanguine about the industry's drift toward concentration than one might expect, it is because they believe competition among relatively few airlines may be adequate to keep prices in line with costs.

Instead of looking at traditional measures of industry concentration, Mr. Winston and Steven Morrison of Northeastern University asked how many practical alternatives there were for flying from point A to point B.

In their forthcoming book, "The Evolution of the Airline Industry" (Brookings), the two economists distill this route-by-route comparison into an index of "effective competition." The index rose steadily from 1978, the year airlines were

See FARES, Page 18

Skoda Seeking 1 Billion DM Through World Bank's IFC

Reuters

PRAGUE — Skoda Automobilovy Koncern, the Czechoslovak carmaker that is partly owned by Volkswagen AG, is trying to arrange a 1 billion Deutsche mark ($625 million) financing through the International Finance Corp., a company executive said Friday.

A Skoda spokesman, Jiri Hrabovsky, confirmed a report in the London-based magazine Euroweek that the project involved Deutsche Bank, Dresdner Bank, J.P. Morgan & Co. and Credit Suisse First Boston. He said talks were recently held in Vienna with the four institutions and the IFC, a World Bank affiliate.

The bulk of the money would go toward a new car plant alongside an existing one at Mlada Boleslav. That plant turns out 180,000 Favorit models annually, and Mr. Hrabovsky said the company wanted to raise output to 450,000 a year by the middle of the decade.

Volkswagen AG acquired a 31 percent stake in Skoda in 1991, and the stake is to be increased to 70 percent by 1995.

CURRENCY RATES

Cross Rates

May 22

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.819	3.387	1.1259	0.335	0.1495 *	—	5.471 *	1.234	1.4463 *	1.5225	1.8035 *
Brussels	33.3775	60.4575	20.5775	6.1255	2.732 *	18.2765	—	22.39	0.2565	28.0225	32.965 *
Frankfurt	1.6195	2.939	—	0.2977	0.1328 *	0.8883	4.86 *	1.0883	1.247 *	1.3555	1.482 *
London (a)	1.8153	—	2.9374	9.8635	2,208.50	3.3061	60.405	2.6989	234.835	2.3687	183.32
Madrid	101.351	183.428	62.412	18.58	8.29 *	55.443	3.0347	67.796	77.958 *	84.645	—
Milan	1,219.50	2,213.38	755.17	224.71	—	669.39	36.60	837.50	9.385	1,023.80	12.044
New York (b)	—	1.8155 a	1.6155	5.4025	1,219.90	1.8185	33.305	1.486	129.25	1.1966	101.15
Paris	5.4395	9.8725	3.3591	—	0.4482 *	2.9838	0.1632	3.6537	4.1918 *	4.5585	5.337 *
Tokyo	128.38	234.85	80.43	23.98	0.1071	71.63	3.9199	87.82	—	108.49	1.2922
Toronto	1.1966	2.1739	0.7404	0.2203	0.0984 *	0.6577	3.599 *	0.8052	0.926 *	—	1.187 *
Zurich	1.49	2.7085	0.9203	0.2736	0.1222 *	0.8189	4.458 *	—	1.159 *	1.2424	1.477 *
1 ECU	1.2685	0.6997	2.0556	6.9856	1,547.73	2.3142	42.2574	1.8926	164.772	1.5158	128.208
1 SDR	1.3966	0.7668	2.2522	7.5641	1,696.14	2.537	46.3275	2.0699	180.787	1.6451	140.46

*Closings in Amsterdam, London, New York, Toronto and Zurich, fixings in other centers. a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argentine peso	0.99	Greek drac.	192.70	Mex. peso	3097.50	S. Kor. won	784.90
Austral. $	1.321	Hong Kong $	7.7395	N. Zealand $	1.8789	S. Afr. rand	2.838
Austr. schil.	11.42	Indian rupee	28.736	Norw. krone	6.3235	Swed. krona	5.8405
Brazil cruz.	2578.55	Indo. rupiah	2023.51	Phil. peso	25.32	Taiwan $	24.71
Chinese yuan	5.5062	Irish £	0.6068	Port. escudo	134.90	Thai baht	25.52
Danish krone	6.264	Israeli shek.	2.3789	Russian ruble ●	90.00	Turkish lira	6730.80
Egypt. pound	3.3144	Kuwaiti dinar	0.2919	Saudi riyal	3.7495	UAE dirham	3.6727
Fin. markka	4.387	Malay. ring.	2.522	Sing. $	1.6343	Venez. boliv.	65.45

** Official rate. ● Tourist rate (commercial rate: 1.6789.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.8074	1.7932	1.7843	Canadian dollar	1.1968	1.1993	1.2013
Deutsche mark	1.6304	1.6381	1.6456	Japanese yen	129.81	129.90	129.98
Swiss franc	1.5086	1.5069	1.5127				

Sources: NMB Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

What Kazakhs Taught a Korean Would Make Lenin Smile

By Michael Dobbs
Washington Post Service

ALMA-ATA, Kazakhstan — Min Bon Sik, a fast-food magnate from South Korea, arrived in Soviet Central Asia last year determined to spread the gospel of capitalism. He spoke in glowing terms of saturating the local market with Korean television sets and refrigerators, videocassette recorders and compact cars.

Mineral-rich but economically backward Kazakhstan seemed like the perfect partner for resource-poor but technologically advanced South Korea. A sparsely populated colossus, Kazakhstan occupies the geographic center of the Eurasian landmass.

Almost a year later, Mr. Min is seeking to reconcile his dream of exporting Korean-style capitalism to Central Asia with post-Communist reality. He has quarreled with his local partner. His factory has been picketed by angry workers, his office robbed and his electricity cut off. Containers of electronic components flown from Seoul have mysteriously disappeared.

"I sometimes get the feeling that I am surrounded by some kind of mafia," Mr. Min said in a recent interview with the Moscow-based weekly Literaturnaya Gazeta. "The main requirement for foreigners doing business here is patience — and still more patience."

Nearly a year after Mr. Min first arrived in Alma-Ata, it is still practically impossible to buy any of his television sets through official retailers. On the black market, the sets are freely available — at twice the official price. And Mr. Min has temporarily returned to Korea to ponder his next move.

The tribulations of the fast-food king, whose bearded face adorns thousands of stuffed-bun outlets in South Korea, have attracted considerable interest here as Kazakhstan attempts to shake off its Communist past and open up to the outside world. Some local newspapers have depicted him as a knight in shining armor doing battle with corrupt apparatchiks. Others describe him as a capitalist shark.

The immediate result of his quixotic quest to provide every Kazakh family with not just one but two color television sets has been a fascinating experiment in culture shock — a clash of decaying socialism and nascent capitalism, of the forward-looking philosophy of Korea and the we-want-it-now mentality of the former Soviet republics.

Anatoli Medvedovsky, deputy director of the Kazakh Radio Engineering plant and Mr. Min's local partner, complained that "the Koreans are always telling us to take a farsighted view, but I have to feed my workers now. If we were at the same level of economic development as Korea, we could afford to think 10 years ahead. But if I tell my people that they have to make even more sacrifices now in order to live well in the future, they would just laugh in my face. That's what the Communists have been telling them for the last 70 years."

When Mr. Min visited Alma-Ata last summer, the Kazakhs rolled out the red carpet. A deal was quickly concluded setting up Kazakhstan's first Korean restaurant and a television factory. In both cases, the Koreans were to provide management expertise and essential components. The Kazakhs would provide labor and suitable sites for the joint venture.

At first, everything went smoothly. But at the television factory, things went wrong as soon as the first sets began rolling off the sparkling new production line. Under the agreement, the "profits" were to be split 51 percent to 49 percent in favor of the Koreans. Mr. Min interpreted "profits" to mean rubles gained from selling the television sets on the local market.

As central planning disintegrated and the value of the ruble plummeted, barter became the principal method of business in the former Soviet Union.

"Naturally, we have no interest in paper rubles. We have plenty of them already, and it's impossible to do anything with them," Mr. Medvedovsky said. "Like everybody else, we expect to be paid in the finished product — in this case, television sets."

Production ground to a standstill as people began arguing over how the sets should be distributed. Everyone in Alma-Ata, from trade union officials to the local police chief, seemed to think they had a right to a certain number.

"The Koreans want to produce as much merchandise as possible in order to saturate the empty Soviet market," said Mr. Samoilenko, who has championed Mr. Min's cause in Literaturnaya Gazeta. "The Soviet mentality is quite different. Our bureaucrats and factory managers make a living out of supervising the distribution of scarce resources."

Various methods were used to persuade Mr. Min to start doing business the Soviet way. The director of the Radio Engineering plant told his workers that the Koreans were refusing to hand over television sets. They responded by picketing the joint venture.

The outcome was predictable. Mr. Min caved in. The Soviet partners in the joint venture are now paid in television sets rather than rubles.

After a early burst of enthusiasm, many Russians and Kazakhs have cooled to the idea of working for capitalists. Some workers miss the more paternalistic atmosphere of Soviet factories.

INTEREST RATES

Eurocurrency Deposits

May 21

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	3 7/8-4	9 1/2-9 5/8	9-9 1/8	9 13/16-9 15/16	9 5/8-9 3/4	4 9/16-4 11/16	10-10 1/8	6 1/8
2 months	3 7/8-4	9 9/16-9 11/16	8 15/16-9 1/16	9 13/16-9 15/16	9 5/8-9 3/4	4 9/16-4 11/16	10-10 1/8	6 1/8
3 months	3 7/8-4	9 9/16-9 11/16	8 7/8-9	9 13/16-9 15/16	9 5/8-9 3/4	4 5/8-4 3/4	10-10 1/8	6 1/8
6 months	4 1/16-4 3/16	9 1/2-9 5/8	8 11/16-8 13/16	9 13/16-9 15/16	9 11/16-9 13/16	4 5/8-4 3/4	9 15/16-10 1/16	6 1/4
1 year	4 1/2-4 5/8	9 7/16-9 9/16	8 9/16-8 11/16	9 15/16-10 1/16	9 1/2-9 5/8	4 9/16-4 11/16	9 15/16-10 1/16	6 1/2

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

May 22

United States	Close	Prev.
Discount rate	3 1/2	3 1/2
Prime rate	6 1/2/6 1/2	6 1/2/6 1/2
Federal funds	3 3/4	3 11/16
Com. paper 30-179 days	3.85	3.90
3-month Treasury bills	3.66	3.66
6-month Treasury bills	3.78	3.79
1-year Treasury bills	3.98	4.04
30-year Treasury bond	7.83	7.87
2-month CD's	3.45	3.48
3-month CD's	3 1/2	3.45
Japan		
Discount rate	3 3/4	3 3/4
Call money	4 11/16	4 5/8
2-month interbank	4 23/32	N.Q.
3-month interbank	4 11/16	4 11/16
Germany		
Discount rate	8.00	8.00
Lombard rate	9 3/4	9 3/4
Call money	9 1/2	9.55
1-month interbank	9 3/4	9 3/4
3-month interbank	9 5/8	9 5/8
6-month interbank	9 5/8	9 5/8
Britain		
Bank base rate	10.00	10.00
Call money	10 1/4	9 7/8
3-month interbank	9 15/16	9 15/16
6-month interbank	9 15/16	9 15/16
France		
Intervention rate	9 1/8	9 1/8
Call money	9 13/16	9 13/16
1-month interbank	9 3/4	9 3/4
3-month interbank	9 13/16	9 13/16
6-month interbank	9 3/4	9 3/4

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

U.S. Money Market Funds

May 22

Merrill Lynch Ready Assets
30-day average yield: 3.52

Telerate Interest Rate Index: 3.853

Source: Merrill Lynch, Telerate.

Asian Dollar Deposits

May 22

1 month	3 7/8 - 4
2 months	3 7/8 - 4
3 months	3 7/8 - 4
6 months	4 - 4 1/8
1 year	4 1/2 - 4 5/8

Source: Reuters.

GOLD

May 22

	A.M.	P.M.	Ch'ge
Hong Kong	337.25	337.25	− 0.70
Luxembourg	337.20	—	− 0.55
Paris (12.5 kilo)	338.10	337.93	+ 0.27
Zurich	337.45	337.85	− 0.40
London	337.20	337.70	− 0.45
New York	—	337.80	+ 0.60

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.

Source: Reuters.

Fed's Steady Stance Prompts Concerns

By John M. Berry
Washington Post Service

WASHINGTON — White House officials, analysts and economists are at odds over whether the Federal Reserve's apparent decision not to cut short-term interest rates further anytime soon was the right move.

Administration officials are concerned that the Fed's reported decision this week to leave rates steady as long as the U.S. economy continues its gradual expansion could cause the recovery to peter out, as it did last year.

Treasury Secretary Nicholas F. Brady said he believed more rate cuts were needed. "We're on the road to economic recovery in the United States," Mr. Brady said. "It's very clear. The statistics are showing that. But we can't repeat what we did in 1991 when the Fed shrank the money supply as growth started to emerge."

Other analysts, however, contended that the U.S. economic outlook was good enough that rate cuts were not needed now. Furthermore, analysts said, some of the problems holding back the economic recovery, such as the huge overhang of empty office buildings, would not be helped by lower short-term rates.

The decision to hold short-term rates steady was reportedly made Tuesday by the Fed's policy-making Open Market Committee, but it has not yet been announced. The central bank has not moved to reduce rates, lending credibility to a published report that said the panel had decided not to do so.

Many traders had bet that some recent economic statistics, such as a sharp decline in housing starts in April, would cause the Fed to cut rates following Tuesday's meeting.

Lyle E. Gramley, chief economist of the Mortgage Bankers Association of America and a former Fed board member, was among those questioning the Fed decision.

"It wouldn't have been my choice," said Mr. Gramley, who said he expected the economy to grow at a 2 percent to 2.5 percent annual rate for the rest of the year but worried that, like last year, the recovery could falter.

Some of the problems hampering the recovery may not be helped by lower short-term rates.

"I think the risks are principally on the downside," Mr. Gramley said. "The recovery in housing is likely to be rather feeble. The rise in consumer confidence is not strong and it is barely back to where it was a year ago."

"I don't see how a group of policymakers could look at all of the statistics and decide this economy's out of the woods," he said.

Michael J. Boskin, chairman of the president's Council of Economic Advisers, also was cautious. In a speech Thursday, Mr. Boskin said that after a flat period last autumn, the economy had "resumed a pattern of more robust growth."

Largely because of the stronger first quarter, Mr. Boskin said the administration has begun revising its economic forecast to show more than the 2.2 percent growth for 1992 that it predicted in January.

But Mr. Boskin said later that while the coming upward revision in the forecast "is the best outlook, there are still serious concerns about adequate money and credit growth, among other things." He declined to comment specifically on the Fed's decision.

On Friday, Lawrence B. Lindsey, a Fed governor, said the economy had entered a new growth phase. Mr. Lindsey said in a speech to the U.S. Civil Rights Commission that the Fed must contain inflation if the economy is to grow strongly in the long term.

Other analysts said they were much more comfortable with the Fed's decision not to reduce its target for the federal funds rate, which was lowered to 3.75 from 4 percent percent early last month. The federal funds rate is the rate banks charge each other for overnight loans.

Some pointed to the Labor Department's report on Thursday that initial claims for unemployment benefits fell to 406,000 in the week ended May 9, well below the weekly level of more than 450,000 earlier in the year, as evidence that faster growth has improved conditions in the labor market.

"My feeling is that the Fed should be holding tight on their policy for a while," said Sam Kahan, chief economist at Fuji Securities Inc. in Chicago. "First, the economy is growing; we have had a full year of positive growth," he said, as shown by figures for inflation-adjusted gross domestic product.

"Second, in the current environment, the kind of structure the U.S. economy has, I don't think we can get growth of more than about 2.5 percent."

If short-term rates were lower, Mr. Kahan said, it would create trouble later on in terms of inflation. "The difficulty is for everyone to learn to live with modest growth until the maladjustments correct themselves," he said.

MATINVEST S.A.
103 Grand-Rue
L-1661 LUXEMBOURG
R.C. Luxembourg n° B 32 496

NOTICE TO THE UNITHOLDERS OF MAT GROWTH FUND

The Management Company of MAT GROWTH FUND has decided with effect from 7th May 1992, to suspend temporarily the determination of the net asset value and, in consequence, the issue, redemption, exchange and conversion of units of MAT GROWTH FUND European Small Cap.

The reason for this suspension is due to the fact that the disposal of the assets of the sub-fund, further to an important application for redemption of MAT GROWTH FUND European Small Cap Units, was not reasonably and normally praticable without being seriously detrimental to the interests of the unitholders.

The termination of such suspension shall be published in the "International Herald Tribune".

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MARKET DIARY

Rise in Oil Shares Pulls Up Blue Chips

Bloomberg Business News

NEW YORK — U.S. stocks rose Friday in light trading, buoyed by gains in the government bond market and by an OPEC agreement that pumped up the stock prices of oil companies.

The Dow Jones industrial average advanced 8.06 points, to 3,386.77, with Chevron, Exxon and Texaco accounting for much of the rise. Oil stocks rallied after the Organization of Petroleum Exporting Countries decided to leave third-quarter oil production at about 23.5 million barrels a day.

N.Y. Stocks

Advancing common stocks outnumbered declining issues by about a 4-to-3 margin on the New York Stock Exchange. Trading was the third lightest this year, with about 148.82 million shares changing hands, down from 182.19 million on Thursday. Many traders were absent ahead of the three-day Memorial Day weekend.

"Maybe it's better for the stock market if the Fed doesn't lower interest rates," said Hugh Johnson, investment strategist at First Albany Corp. "It's definitely good news for the bond market."

Thursday, stock prices floundered after a news report said the Fed had no immediate plans to cut rates. Many people had expected the Fed to lower rates, so stocks declined and Treasury bond yields rose.

Friday, the opposite occurred. Stocks rose and bond yields declined on the realization that the Fed is being astute, Mr. Johnson said. "By taking no action, the Fed is showing its commitment to making sure inflation doesn't rise," he said.

The yield on the 30-year bond closed at 7.82 percent, down 4 basis points on the day.

"Today was a day for the oils," said Robert Robbins, market strategist at Robinson-Humphrey. "The OPEC accord is a big positive because it puts a floor under crude prices."

Chevron rose 1⅜ to 69. Mobil gained ⅞ to 63⅜. Royal Dutch Petroleum increased 1½ to 84⅝ and Atlantic Richfield rose 1¾ to 111⅝.

Federated Stores rose ⅝ to 12½, or $1 above the company's sale price for 40 million shares of common stock. Federated was recommended for purchase by an analyst at Salomon, who cited the company's strong base of department stores and ability to reduce debt.

Dollar Fails to Hold Gains Against the Mark

Compiled by Our Staff From Dispatches

NEW YORK — The dollar ended mixed Friday against other major currencies, unable to hold onto early gains against the Deutsche mark.

"There's general disappointment that the dollar did not manage to carry through on the top side," said a trader.

The dollar rose early in the session after better-than-expected German inflation data lessened the prospects of a Bundesbank rate increase.

Foreign Exchange

The M-3 measure of the German money supply grew an annualized 8.8 percent in April from the fourth quarter of 1991, down from 9.4 percent in March and below forecasts of 9 to 11 percent growth.

Many traders said the data greatly reduced the chances of a rise in the German Lombard rate, now at 9.75 percent, while some said talk about the timing of a credit easing had surfaced again.

The data helped the dollar rise against the mark in London, climbing as high as 1.6242 DM. But traders noted that the currency hit resistance at 1.6250 DM and fell back. The dollar closed in New York at 1.6155 DM, down slightly from 1.6168 DM on Thursday.

The U.S. currency also stood at 129.25 yen, down from 130.00 yen, and at 1.4860 Swiss francs, up from 1.4848 francs. Against the French currency, it fell to 5.4325 francs from 5.4335 francs.

The British pound slipped to $1.8155 from $1.8160.

British and U.S. markets will be closed Monday for holidays, and many players moved to square their books and limit their exposure to any sudden events over the weekend, analysts said. Trading was light and dominated by technical factors.

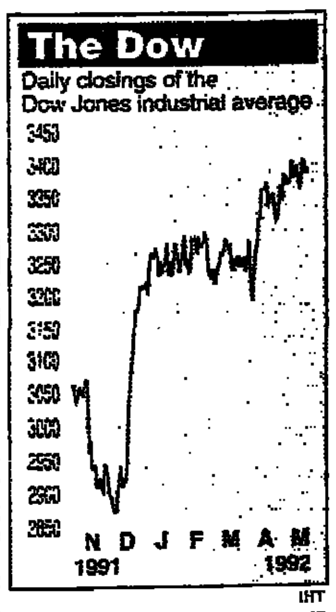
Analysts said the dollar will continue to be weighed down by the 6 percentage point spread of German interest rates above U.S. rates. The chances of this premium narrowing during the next few months is slim, they said.

German M-3 growth still exceeds the Bundesbank's target range, while credit growth remains robust. Meanwhile, the U.S. economy shows little sign of expanding rapidly, economists said.

"Until we get definite signs that a sustainable U.S. economic recovery is under way," the dollar is unlikely to sprint ahead, said Ian Blance, economist at Nikko Securities (Europe).

In London earlier, the dollar was mostly higher. It traded at 1.6180 DM, up from 1.6165 DM on Thursday, but fell to 129.40 yen from 130.20. *(Reuters, UPI, Bloomberg)*

Via Associated Press May 22



NYSE Most Actives

	Vol.	High	Low	Last	Chg.
FedDS n	41727	12⅝	12⅛	12½	+ ⅝
Disney s	27572	38¼	37⅞	37⅞	— ¼
GlobM	26970	2	1¾	1⅞	
GnMotr	22566	39⅞	39	39⅞	+ ⅛
PhilMr	17273	76⅜	75½	76	— ⅞
StorTch	15217	34½	33	33½	—3¾
BrMySq	14777	72¾	71¾	72¼	— ¾
BakrHu	13510	22¾	21⅞	22⅝	+1⅛
Chryslr	13164	18⅛	17⅞	17⅞	— ⅛
Limitd	12657	20¼	19¾	20⅛	
CmpAsc	12294	14¼	13⅞	14¼	+1
RJR pfA	12058	10⅞	10⅜	10½	— ⅜
Glaxo s	11029	27⅞	27⅛	27¾	+ ⅜
Exxon	10952	60½	59⅝	60⅜	+ ¾
USXMar n	10940	22¾	21⅞	22⅝	+ ⅜

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
ExpLA	8268	1½	1¼	1½	+ ⅛
PEC s	7550	13⅝	13¼	13¼	— ¼
IvaxCp s	4666	22⅞	22⅛	22⅞	+ ½
FruitL	4463	35⅝	34	34⅝	—1¼
Alza s	2940	47⅝	46¾	47	+ ⅞
WangB	2699	3⅞	3⅝	3¾	
GCda g	2409	8½	7⅞	8⅜	+ ¼
US Bio s	2371	12⅞	12⅜	12½	
IntlCor n	2361	4¼	4	4⅛	+ ⅛
EchoBy	1710	6¼	6	6⅛	+ ⅛
HltPrt s	1635	8⅞	7⅞	8⅝	+ ⅝
Wthfrd	1600	5⅝	5¼	5⅝	+ ¼
US Bknt	1493	7½	7	7⅜	+ ¼
PhiLD	1454	43⅜	43	43⅜	+ ⅜
PlnRsc	1436	19¼	18½	19	+ ⅜

NYSE Diary

	Close	Prev.
Advanced	970	585
Declined	672	1125
Unchanged	598	548
Total Issues	2240	2258
New Highs	48	41
New Lows	17	26

Amex Diary

	Close	Prev.
Advanced	269	232
Declined	220	285
Unchanged	248	265
Total Issues	737	782
New Highs	19	17
New Lows	13	14

NASDAQ Diary

	Close	Prev.
Advanced	1,056	1,846
Declined	955	1,898
Unchanged	2,250	2,117
Total Issues	4,261	4,261

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3378.71	3408.48	3364.07	3386.77	+ 8.06
Trans	1372.57	1383.22	1366.97	1374.49	+ 3.73
Util	212.32	213.82	211.49	212.88	+ 0.94
Comp	1193.33	1203.18	1188.48	1196.39	+ 3.30

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	490.15	487.36	489.49	+2.18
Transp.	353.37	351.02	352.25	+1.08
Utilities	147.77	147.05	147.08	—0.23
Finance	35.48	35.30	35.33	+0.03
SP 500	414.82	412.60	414.02	+1.42
SP 100	390.80	388.37	390.22	+1.77

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	228.46	227.72	228.20	+0.73
Industrials	284.64	283.55	284.42	+1.24
Transp.	206.27	205.38	205.99	+0.69
Utilities	98.47	98.28	98.28	—0.12
Finance	176.94	176.08	176.58	+0.21

NASDAQ Indexes

	High	Low	Close	Ch'ge
Composite	581.27	578.84	580.30	+1.29
Industrials	627.49	624.37	626.38	+1.26
Finance	668.11	665.47	667.87	+2.32
Insurance	614.16	610.42	612.02	—0.26
Utilities	638.82	632.17	634.82	+1.81
Banks	438.25	434.53	436.75	+1.13
Transp.	597.21	593.04	593.40	—3.78

AMEX Stock Index

High	Low	Close	Ch'ge
392.55	391.47	392.46	+0.83

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	100.16	+0.15
10 Utilities	100.10	+0.24
10 Industrials	100.23	+0.07

Market Sales

NYSE 4 p.m. volume	146,640,000
NYSE prev. cons. close	234,453,550
Amex 4 p.m. volume	11,090,000
Amex prev. cons. close	14,205,000
NASDAQ 4 p.m. volume	124,852,200
NASDAQ prev. 4 p.m. volume	175,859,000

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	Short*
May 21	876,429	820,067	109,071
May 20	928,510	807,368	38,591
May 19	1,058,564	768,442	61,819
May 18	871,982	649,664	17,555
May 15	951,536	700,298	13,572

*Included in the sales figures.

S&P 100 Index Options

May 21

Strike Price	Calls-Last Jun	Jly	Aug	Sep	Puts-Last Jun	Jly	Aug	Sep
330	—	37	—	—	⅛	1⅛	—	—
355	34½	—	—	—	½	1⅛	—	—
360	29⅝	30⅝	—	—	⅝	1⅝	3	5
365	25	26½	27⅞	—	⅝	2⅛	4⅛	—
370	19⅝	—	23½	—	1⅛	2⅝	5	6⅝
375	15⅛	—	—	—	1⅝	3⅝	6⅛	—
380	11⅛	13⅝	—	17½	2⅛	5	7½	9
385	7½	10½	—	—	4	6½	9⅛	—
390	4⅝	7⅛	9	11⅝	6⅛	8⅝	11⅝	—
395	2⅛	4⅝	6⅝	—	9⅛	11⅝	13⅛	—
400	1⅛	2⅛	4⅝	6⅝	13	15⅛	—	18⅛
405	½	1⅛	3	—	17⅝	19⅝	—	—
410	⅛	⅝	2	3⅛	21⅝	—	—	25⅝

Calls: total vol. 75,983; total open int. 283,292
Puts: total vol. 88,418; total open int. 321,468

	Dec 92	Dec 93	Dec 92	Dec 93
27½	—	—	—	—
30	8⅝	—	—	—
32½	—	—	½	1⅛
35	—	—	—	—
37½	—	—	—	2⅛
40	1⅜	—	2½	3⅝

Calls: total vol. 185; total open int. 23,854
Puts: total vol. 121; total open int. 147,685
Source: CBOE.

EUROPEAN FUTURES

Food

	Close		High	Low	Prev. Close	
SUGAR (FOX) U.S. Dollars per metric ton-lots of 50 tons						
Aug	209.80	210.60	209.40	207.40	207.00	207.60
Oct	200.60	201.80	200.20	199.00	198.80	199.40
Dec	187.00	190.00	N.T.	N.T.	187.00	190.00
Mar	195.20	195.80	193.60	193.60	193.40	194.00
May	190.00	191.80	N.T.	N.T.	190.00	191.80
Aug	192.00	194.00	N.T.	N.T.	192.00	194.00
Est. Sales 72.						
COCOA (FOX) Sterling per metric ton-lots of 10 tons						
May	537	540	537	534	537	538
Jul	555	556	556	548	553	554
Sep	579	580	580	572	575	577
Dec	612	613	613	605	608	609
Mar	642	643	643	636	638	639
May	660	662	662	648	659	660
Jul	677	680	682	676	679	680
Sep	700	701	700	699	700	701
Dec	727	730	N.T.	N.T.	725	730
Mar	750	760	N.T.	N.T.	753	754
Est. Sales 3,391.						
COFFEE (FOX) Dollars per metric ton						
May	705	710	726	703	727	735
Jul	731	732	741	710	748	749
Sep	751	752	760	730	744	744
Nov	770	771	778	755	784	786
Jan	789	790	798	778	804	806
Mar	806	810	810	793	813	819
May	805	820	N.T.	N.T.	828	834
Est. Sales 2,745.						

	High	Low	Close		Ch'ge
WHITE SUGAR (Matif) Dollars per metric ton-lots of 50 tons					
Aug	280.50	277.10	280.00	280.50	+ 3.00
Oct	264.10	262.60	263.00	264.00	+ 1.20
Dec	N.T.	N.T.	262.50	263.50	+ 1.50
Mar	N.T.	N.T.	265.00	266.50	+ 1.00
May	N.T.	N.T.	268.00	270.00	+ 1.00
Aug	N.T.	N.T.	273.00	275.00	+ 2.00

Est. sales 877. Prev. sales: 653. Open interest 10,421.

Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1320.00	1321.00	1321.00	1322.00
Forward	1344.00	1345.00	1346.00	1347.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1231.00	1231.50	1225.00	1226.00
Forward	1245.00	1246.00	1245.00	1246.00
LEAD Sterling per metric ton				
Spot	281.00	282.00	282.75	283.25
Forward	293.00	293.50	295.00	296.00
NICKEL Dollars per metric ton				
Spot	7335.00	7340.00	7305.00	7315.00
Forward	7420.00	7425.00	7390.00	7395.00
TIN Dollars per metric ton				
Spot	6185.00	6195.00	6250.00	6260.00
Forward	6210.00	6220.00	6270.00	6280.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1368.00	1372.00	1380.00	1385.00
Forward	1284.00	1285.00	1280.00	1281.00

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Jun	90.04	90.02	90.04	Unch.
Sep	90.38	90.33	90.37	+0.03
Dec	90.67	90.60	90.64	+0.05
Mar	90.91	90.86	90.90	+0.04
Jun	91.09	91.06	91.09	+0.03
Sep	91.20	91.13	91.20	+0.04
Dec	91.19	91.14	91.20	+0.05
Mar	91.17	91.13	91.16	+0.04
Jun	91.16	91.10	91.14	+0.06
Est. volume: 22,870. Open interest: 232,817.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Jun	96.04	95.99	96.00	+0.01
Sep	95.71	95.65	95.69	+0.02
Dec	95.03	95.00	95.02	+0.02
Mar	94.86	94.83	94.84	+0.07
Jun	94.38	94.38	94.37	+0.04
Sep	93.88	93.88	93.86	+0.03
Dec	93.30	93.30	93.30	+0.02
Mar	93.17	93.17	93.16	+0.02
Est. volume: 3,783. Open interest: 39,801.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Jun	90.38	90.28	90.35	+0.07
Sep	90.68	90.54	90.64	+0.09
Dec	90.95	90.79	90.92	+0.13
Mar	91.35	91.18	91.30	+0.13
Jun	91.58	91.51	91.57	+0.11
Sep	91.77	91.73	91.77	+0.08
Dec	91.85	91.82	91.85	+0.06
Mar	92.10	91.96	92.00	+0.06
Est. volume: 86,441. Open interest: 301,283.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Jun	100-01	99-19	99-31	+0-11
Sep	100-08	99-28	100-07	+0-11
Dec	N.T.	N.T.	100-15	+0-11
Est. volume: 20,402. Open interest: 68,424.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Jun	88.04	87.63	87.94	+0.26
Sep	88.33	87.93	88.24	+0.27
Dec	N.T.	N.T.	88.64	+0.13
Est. volume: 77,428. Open interest: 118,346.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Jun	177.75	175.00	175.25	175.00	—0.25
Jul	178.75	175.75	175.75	175.75	—0.25
Aug	180.25	178.00	178.00	178.00	Unch.
Sep	182.50	179.75	180.00	180.00	Unch.
Oct	182.25	182.00	182.00	182.00	Unch.
Nov	185.00	183.50	183.50	183.50	Unch.
Dec	186.00	184.75	184.75	184.75	+0.25
Jan	N.T.	N.T.	N.T.	183.00	—0.50
Feb	177.00	177.00	177.00	177.00	—1.00
Est. Sales 9,631. Prev. sales 11,287. Open interest 81,004					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Jul	19.78	19.50	19.53	19.72	+0.04
Aug	19.68	19.47	19.47	19.64	+0.04
Sep	19.58	19.43	19.43	19.62	+0.07
Oct	19.46	19.40	19.40	19.55	+0.07
Nov	19.48	19.38	19.38	19.54	+0.08
Dec	19.49	19.35	19.35	19.49	+0.08
Jan	19.28	19.28	19.28	19.41	+0.06
Feb	19.27	19.27	19.27	19.31	+0.10
Mar	N.T.	N.T.	N.T.	19.38	+0.05
Est. Sales 19,857. Prev. sales 32,010. Open interest 75,974					

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE) £25 per index point				
Jun	2744.0	2706.0	2739.0	+21.0
Sep	2770.0	2733.0	2762.5	+21.5
Dec	N.T.	N.T.	2829.0	+22.0
Est. volume: 14,802. Open interest: 45,706.				

Sources: Reuters, Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Dividends

Company	Per	Amt	Pay	Rec
USUAL				
American Bancorp	Q	.16	6-30	6-15
Amer Bankers Insur	Q	.15	6-19	6-5
AMRE Inc	Q	.03	7-24	6-29
AmSouth Bancorp	Q	.26	7-1	6-12
Armor All Products	Q	.12	7-1	6-1
CCNB Corp	Q	.28	6-15	6-1
CompBridgeShpCat	Q	c-.15	7-16	7-3
Champion Intl	Q	.05	7-7	6-19
Community Bk Sys	Q	.20	7-10	6-15
Delta Natural Gas	Q	.27	6-15	6-3
Dressers Industries	Q	.15	6-22	6-1
E-Systems Inc	Q	.25	7-1	6-12
ESB Bancorp	Q	.20	7-15	6-15
Elco Industries	Q	.13	6-15	6-1
Farmer Brothers	Q	.40	8-3	7-17
First Hawaiian Inc	Q	.36	6-15	6-1
G&K Services	Q	.02½	6-06	6-12
HoraceMannEdu	Q	.05	6-15	6-1
Gendis Inc cl-A	Q	c.135	7-6	6-19
Green Mountain Pwr	Q	.51½	6-30	6-17
Hudson's Bay Co	Q	c-.20	7-31	7-9
KN Energy Inc	Q	.31	6-30	6-15
Lufkin Industries	Q	.40	6-10	6-1
MidConn Bank	Q	.05	6-30	6-15
Morgan Keegan	Q	.06	7-15	6-12
Myewrs LE Group	Q	.04½	6-15	6-1
Ohio Casualty	Q	.67	6-10	6-2
Optical Coat Lab	S	.06	6-15	5-29
Pacific Gas&El	Q	.44	7-15	6-15
Rs Capital Corp	Q	.06	9-10	8-18
Ruddick Corp	Q	.06	7-1	6-19
Scotsman Ind	Q	.02½	7-15	6-30
Society Corp	Q	.49	6-15	6-2
Spar Aerospace	Q	c-.06	7-2	6-18
Sterling Bnco NY	Q	.05	6-30	6-15
Technitrol Inc	Q	.28	7-21	7-7
United Cos Finci	Q	.15	7-1	6-10
Unitd Illuminating	Q	.64	7-1	6-1
US Shoe Corp	Q	.13	7-13	6-22
Waxman Industries	Q	.03	6-26	6-12
Worthington Indus	Q	.12	6-22	6-4

a-annual; c-Canadian rate; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

U.S./AT THE CLOSE

GM to Discipline Dealer for Fraud

FORT WAYNE, Indiana (Bloomberg) — Robert C. Stempel, chairman of General Motors Corp., told shareholders Friday the automaker intends to discipline employees of its financial subsidiary who may have allowed an auto dealer to defraud the company of about $436 million.

The GM car dealer, John McNamara, of Port Jefferson, New York, was arrested on April 15 on charges of defrauding General Motors Acceptance Corp. of $436 million by pretending to export thousands of vans to the Middle East that supposedly were customized by a company in Indianapolis, which has turned out not to exist. GMAC, which claims it was the "victim of a well orchestrated plan and a well executed fraud," disclosed last month that a $275 million pretax loss in the fourth quarter of 1991 was related to Mr. McNamara, who is free on $300 million bail.

Mr. Stempel also told shareholders that his recent structural changes would increase productivity 7 percent to 8 percent a year and allow GM to use 100 percent of the units' capacity by 1994.

MGM Goes Back to Being Just MGM

CULVER CITY, California (UPI) — The name MGM-Pathe Communications Co., taken on during the turbulent tenure of former owner Giancarlo Parretti, has been dumped in favor of the original Metro-Goldwyn-Mayer Inc., the studio said Friday.

The MGM name dates back to 1924 when Marcus Loew brought together the Metro film studio, Goldwyn Pictures Corp. and Louis B. Mayer Pictures.

The Metro-Goldwyn-Mayer name was last used by the company in 1980. It subsequently became MGM-UA Communications as a result of acquisition by the studio's owner, Kirk Kerkorian, of some of the assets of United Artists.

Indian Court Orders Carbide Seizure

BHOPAL, India (Reuters) — An Indian court on Friday ordered seizure of a $2.3 million dividend accrued to the U.S.-based Union Carbide Corp. from its stake in its Indian subsidiary between 1984 and 1991.

The ruling was handed down by Chief Judicial Magistrate Gulab Sharma. The multinational company has a 50.9 percent stake in Union Carbide India Ltd., owner of the chemical plant in Bhopal that spewed out poison gas that killed more than 3,800 people in December 1984.

Northwest Brakes East Coast Growth

NEW YORK (AP) — Northwest Airlines, which added flights at Washington National Airport after the demise of Eastern Airlines last year, said Friday that on July 1 it will reduce its number of daily flights in and out of Washington National to 30 from 48. Northwest said it would use the planes to increase service elsewhere, but the pullback from Washington demonstrates that Northwest's efforts to expand on the East Coast did not work.

Court Upholds Micro's Chip Right

SUNNYVALE, California (Bloomberg) — California Superior Court Judge Read Ambler on Friday upheld Advanced Micro Devices Inc.'s rights to manufacture its Am386 microprocessor.

Judge Ambler upheld a Feb. 24 decision by an arbitrator who awarded AMD the rights to the device, which Intel Corp. claimed infringed upon the patents for its 80386 microprocessor. Judge Ambler also sustained the arbitrator's award of $15 million in damages to AMD. Intel said it would appeal the decision to the state Appellate Court.

For the Record

Johnson & Johnson said it acquired marketing rights in more than 70 countries to the Savlon over-the-counter products line of London-based Imperial Chemical Industries PLC. *(Bloomberg)*

Negotiations over a possible merger of Kidder, Peabody & Co. with Smith Barney, Harris Upham & Co. collapsed. Differences over price, as well as structural problems involved in a merger of part or all of the two firms, apparently prevented an agreement. *(NYT)*

FARES: *Is Big Necessarily Bad?*

(Continued from first finance page)

deregulated, through 1986. It has since retreated a bit, but remains as high as it was in 1984.

Why is this? The hub-and-spoke systems that have played a role in dooming less agile carriers have also given most travelers who live outside hub cities the option of making one-stop trips through a choice of hubs.

Take the route between two non-hubs, Kansas City and San Francisco. Only USAir flies nonstop. *But travelers can also make the trip* through Denver on United or Continental, through Phoenix on America West, through Dallas on American, through Minneapolis on Northwest, or through Salt Lake City on Delta.

There are some routes — especially short routes from hubs to nonhub cities — where prices do seem out of line.

WORLD STOCK MARKETS

Agence France Presse May 22

Amsterdam

	Close	Prev.
ABN Amro Hld	43.90	43.80
ACF Holding	34	35
Aegon	122.80	123.30
Ahold	86.90	87
Akzo	160.10	160
AMEV	52.40	52.50
A'Dam Rubber	3.70	3.70
Bols	46.60	46.70
Buhrmann Tett	52.50	50
CSM	96	96.60
DAF	22.90	23
DSM	115	115.40
Elsevier	113.40	112.80
Fokker	35.10	35.10
Gist-Brocades	37	39.10
Heineken	165.90	165.80
Hoogovens	59.60	59.50
Hunter Douglas	73	74.10
IHC Caland	75.70	74.50
Inter Mueller	68.50	69
Int'l Nederland	49.70	50
KLM	40.30	40
KNP	47.20	47
Nedlloyd	60.30	59.60
Oce Grinten	74	75
Pakhoed	43.80	42.60
Philips	38.20	38.10
Robeco	98.10	98
Rodamco	47.90	47.80
Rolinco	96.60	96.80
Rorento	73.50	73.40
Royal Dutch	152.50	151.40
Unilever	185.90	186.60
Van Ommeren	42.40	42.20
VMF Stork	46.30	45
VNU	91.20	90.80
Wessanen	93.90	93.60
Wolters/Kluwer	74.80	75

CBS trend index: 138.40
Previous: 139

Brussels

	Close	Prev.
Acec-UM	2510	2500
AG Fin	1995	2000
Arbed	4080	4020
Barco	1274	1270
Bekaert	N.A.	12775
Cockerill	172	170
Cobepa	4980	4870
Delhaize	9100	9110
Electrabel	4625	4610
GIB	1420	1416
GBL	3370	3310
Gevaert	6700	6700
Kredietbank	4950	4945
Petrofina	10875	10900
Royal Belge	4575	4600
Soc Gen Banque	6300	6370
Soc Gen Belgique	2190	2170
Sofina	11525	11475
Solvay	13100	13100
Tractebel	8000	8030
UCB	22875	22775
Powerfin	2450	2500

Current Stock Index: 5898.29
Previous: 5897.97

Frankfurt

	Close	Prev.
AEG	210.50	211
Allianz Hold	2254	2226
Altana	670	662
Asko	828	829.50
BASF	249.60	249.30
Bayer	297.50	295
Bay. Hypo bank	404.50	402
Bay Vereinsbk	410.50	408.50
BBC	670	670
BHF Bank	443	439
BMW	614.50	592.80
Commerzbank	268.70	267.40
Continental	272.70	268
Daimler Benz	812	800.50
Degussa	376	368.50
Dt Babcock	168.50	167.30
Deutsche Bank	713.60	727
Douglas	N.A.	N.A.
Dresdner Bank	348.70	347.20
Feldmuehle	536	531
Harpener	296	296
Henkel	624	620
Hochtief	1275	1255
Hoechst	260.90	263.60
Hoesch	272	270
Holzmann	1148	1139
Horten	205	201
IWKA	337.50	334.50
Kali Salz	146	147.80
Karstadt	649	648.20
Kaufhof	507	509
KHD	152.50	148
Kloeckner Werke	125	124
Krupp Stahl	154.90	148.50
Linde	863	859
Lufthansa	136	133.50
MAN	388	386.90
Mannesmann	306	296.40
Metallgesell	447.90	439.90
Muench Rueck	2395	2395
Nixdorf	N.A.	N.A.
PKI	490	490
Porsche	418.50	411
Preussag	346.50	345
PWA	404.60	407.80
RWE	315	310
Rheinmetall	294	294.50
Schering	385	390
Siemens	698.40	693.70
Thyssen	243.50	241.50
Varta	240	239.50
Veba	406.20	404.70
VEW	213.70	213.60
Viag	403.90	401.20
Volkswagen	404	397.50
Wella	657	644.50

DAX Index: 1802.96
Previous: 1785.48
FAZ Index: 722.83
Previous: 719.29

Helsinki

	Close	Prev.
Amer A	71	70.40
Enso-Gutzeit	22	21.50
K.O.P.	14	13.30
Kymmene	77	78
Metra	65	65
Nokia	79	78.50
Pohjola	57.50	57
Repola	45	46
Stockmann	170	170

HEX Index: 844.27
Previous: 841.36

Hong Kong

	Close	Prev.
Bk East Asia	29.40	29.10
Cathay Pacific	13.70	13.50
Cavendish Int'l	4.13	4.10
Cheung Kong	24	24.20
China Light Pwr	34.50	34.25
Dairy Farm Int'l	13.50	13.70
Hang Lung Dev	11.20	11.20
Hang Seng Bank	44.50	44.75
Henderson Land	19	19.40
HK Air Eng.	23.10	22.80
HK China Gas	14	13.70
HK Electric	18.50	18.50
HK Land	12	11.90
HK Realty Trust	10	9.70
HSBC Holdings	44.25	44.25
HK Shang Htls	6.20	6.25
HK Telecomm	10.10	10.10
HK Ferry	7.05	6.95
Hutch Whampoa	17.70	17.50
Hysan Dev	13.50	13.20
Jardine Math.	57	58
Jardine Str Hld	24.60	24.10
Kowloon Motor	10.20	10.20
Mandarin Orient	6.75	6.85
Miramar Hotel	9.10	9.15
New World Dev	18.50	18.50
SHK Props	31.75	32.25
Stelux	3.85	3.88
Swire Pac A	34.75	35.25
Tai Cheung Prps	8.20	8
TVE	2.45	2.45
Wharf Hold	17	16.90
Wing On Int'l	8.95	9.05
Winsor Ind.	12.80	12.80
World Int'l	8.25	8.40

Hang Seng Index: 5859.68
Previous: 5865.61

Johannesburg

	Close	Prev.
AECI	9.75	9.75
Altech	115	115
Anglo Amer	119	120.25
Barlows	59.25	59
Blyvoor	5.05	5.05
Buffels	23	22.50
De Beers	91.25	91.50
Driefontein	40.25	40.10
Gencor	12.75	12.70
GFSA	71.50	73.50
Harmony	16.50	14.75
Highveld Steel	12.75	12.75
Kloof	27.35	27.25
Nedbank Grp	18.25	18.25
Randfontein	16	15.75
Rusplat	79.50	79.35
SA Brews	59	59
St Helena	30	30
Sasol	19.50	19.50
Welkom	16.50	16.50
Western Deep	100	100.50

Composite Stock Index: 3683
Previous: 3682

London

	Close	Prev.
Abbey Nat'l	3.09	3.09
Allied Lyons	6.73	6.66
Arjo Wiggins	2.57	2.62
Argyll Group	3.46	3.52
Ass Brit Foods	4.43	4.44
BAA	N.A.	6.38
BAe	N.A.	3.76
Bank Scotland	1.18	1.22
Barclays	3.91	3.94
Bass	6.41	6.36
BAT	8.05	7.98
BET	1.57	1.54
Blue Circle	2.64	2.64
BOC Group	6.92	6.93
Boots	4.50	4.47
Bowater	N.A.	8.50
BP	2.61	2.58
Brit Airways	3.12	3.12
Brit Gas	2.51	2.45
Brit Steel	0.82	0.81
Brit Telecom	3.66	3.59
BTR	4.97	5
Cable Wire	5.74	5.73
Cadbury Sch	4.72	4.78
Coats Viyella	2.21	2.18
Comm Union	5.06	5.04
Courtaulds	5.87	5.85
ECC Group	N.Q.	—
Enterprise Oil	4.21	4.15
Eurotunnel	3.75	3.65
Fisons	3.57	3.60
Forte	2.40	2.40
GEC	2.27	2.28
Gen'l Acc	5	4.91
Glaxo	7.58	7.49
Grand Met	5.05	5.03
GRE	1.54	1.55
Guinness	5.89	5.90
GUS A	15.30	15.50
Hanson	2.32	2.27
Hillsdown	1.87	1.82
ICI	13.48	13.49
Inchcape	5.05	5.02
Kingfisher	5.76	5.65
Ladbroke	2.42	2.45
Land Sec	4.52	4.49
Laporte	N.Q.	—
Lasmo	1.99	1.93
Legal Gen Grp	4.07	4.12
Lloyds Bank	4.25	4.28
Marks Sp	3.43	3.39
MB Caradon	3.04	3.04
MEPC	3.52	3.53
Midland Bk	4.04	3.98
Nat'l Power	2.32	2.28
NatWest	3.60	3.65
NthWst Water	4.46	4.47
Pearson	8.75	8.85
P&O	5.50	5.45
Pilkington	1.57	1.56
PowerGen	2.41	2.38
Prudential	2.62	2.68
Rank Org	7.67	7.57
Reckitt Col	6.40	6.52
Redland	5.37	5.43
Reed Int'l	5.71	5.73
Reuters	12.01	12.82
RMC Group	6.43	6.46
Rolls Royce	1.68	1.72
Rothmans	11.30	11.40
Royal Scot	1.98	1.99
RTZ	6.47	6.44
Sainsbury	4.60	4.60
Scot Newcas	4.57	4.59
Scot Power	5.10	5.10
Sears Hldgs	0.94	0.89
Severn Trent	4	4.06
Shell	5.05	5.02
Siebe	7.45	7.43
Smith Nephew	1.59	1.58
SmithKline B	8.89	8.72
Smith (WH)	4.73	4.74
Sun Alliance	3.18	3.22
Tate & Lyle	4	3.97
Tesco	2.66	2.75
Thorn EMI	8.62	8.67
Tomkins	5.01	5.10
TSB Group	1.50	1.47
Unilever	9.23	9.18
Utd Biscuits	4.03	4.01
Vodafone	3.88	3.77
War Loan 3½	39	38.94
Wellcome	9.79	9.74
Whitbread	4.70	4.66
Williams Hdgs	3.50	3.55
Willis Corroon	2.64	2.60

F.T. 30 Index: 2149.70
Previous: 2141.90
F.T.S.E. 100 Index: 2715.00
Previous: 2702.80

Madrid

	Close	Prev.
BBV	2930	2940
Bco Central Hisp.	3615	3650
Banco Santander	4900	4915
Banesto	2985	2995
CEPSA	2360	2360
Dragados	2040	2060
Endesa	3800	3770
Ercros	312	324
Iberdrola I	764	766
Tabacalera	6480	6550
Telefonica	1145	1135

S.E. General Index: 259.76
Previous: 260.60

Milan

	Close	Prev.
Alenia	1578	1600
Banca Comm	3061	3100
Bastogi	130	135
Benetton group	13812	13610
Ciga hotels	1740	1774
CIR	1755	1783
Cred Ital	1690	1700
Enichem	1192	1192
Eridania	7250	7250
Ferfin	1772	1755
Ferfin Risp	N.Q.	N.A.
Fiat SPA	5370	5280
Generali	29500	28950
IFI	13250	13100
Italcem	15350	15250
Italgas	3110	3120
Italmobiliare	49990	49500
Mediobanca	13500	13400
Montedison	1525	1516
Olivetti	3127	3130
Pirelli	N.Q.	N.A.
RAS	18350	18380
Rinascente	6395	6301
Saipem	1655	1645
San Paolo Torino	11100	11080
SIP	1391	1392
SME	3385	3392
Snia	1190	1180
Standa	32450	32450
Stet	1990	1945
Toro Assi Risp	18980	18810

MIB Index: 976
Previous: 966

Montreal

	Close	Prev.
Alcan Aluminum	24⅛	24⅜
Bank Montreal	43⅝	43⅛
Bell Canada	44½	44⅛
Bombardier A	13½	13⅛
Bombardier B	13½	13⅛
Cambior	8¼	8¼
Cascades	7⅜	7⅜
Dominion Text A	7⅜	7⅜
Donohue	N.Q.	—
MacMillan Bl	18⅛	18⅛
Nat'l Bk Canada	8⅜	8⅜
Power Corp.	14⅛	14⅛
Provigo	8¼	8⅛
Quebec Tel	17	16⅞
Quebecor A	N.Q.	14
Quebecor B	13⅜	13⅜
Teleglobe	13⅛	13⅛
Videotron	16⅛	16⅛

Industrials Index: 1592.24
Previous: 1572.91

Paris

	Close	Prev.
Accor	796	794
Air Liquide	812	794
Alcatel Alsthom	652	643
Axa	1008	988
Bancaire (Cie)	485	485
BIC	880	765
Bouygues	652	658
BSN-GD	1160	1137
Carrefour	2770	2711
C.C.F.	194.30	193
Cerus	132.50	130
Chargeurs	1291	1280
Ciments Franc	470.20	467.80
Club Med	524	524
Elf-Aquitaine	394	381.50
Gen. Eaux	2408	2386
Eurodisneyland	128.30	127
Hachette	138.50	137.70
Havas	537	535
Imetal	341	342
Lafarge Coppee	384.40	380.70
Legrand	4930	4980
Lyon. Eaux	575	573
Oreal (L')	901	899
L.V.M.H.	4188	4130
Matra	192.90	186
Merlin Gerin	601	584
Michelin B	220.10	219
Moulinex	175	174
Paribas	415.90	415
Pechiney Intl	208.30	205
Pernod-Ricard	1553	1547
Perrier	N.A.	N.A.
Peugeot	778	773
Printemps (Au)	829	819
Radiotechnique	610	617
Raff. St. Louis	1339	1340
Redoute (La)	5720	5740
Saint Gobain	592	589
Sanofi	1173	1145
S.E.B.	2200	2200
Ste Generale A	555	549
Suez	336.20	334.50
Thomson-CSF	160	157
Total	259.70	250.70
U.A.P.	545	531
Valeo	734	736

CAC 40 Index: 2045.12
Previous: 2016.63

Sao Paulo

	Close	Prev.
Banco do Brasil	275	255
Bradesco	130	135
Brahma	480	510
Paranapanema	43	44
Petrobras	12700	13000
Telebras	86.50	88.10
Vale Rio Doce	255	260
Varig	321	326

Bovespa index: 25520
Previous: 25921

Singapore

	Close	Prev.
Cerebos	2.83	2.77
City Dev.	4.14	4.14
DBS	11.40	11.30
Fraser Neave	10.10	10.10
Genting	7.60	7.70
Golden Hope Pl	1.22	1.21
Haw Par	2.44	2.43
Hume Industries	3.70	3.74
Inchcape	6.30	6.30
Keppel	8.25	8.20
KL Kepong	2.22	2.22
Lum Chang	0.94	0.93
Malayan Banking	5.15	5.15
OCBC	8.90	8.90
OUB	4.76	4.66
OUE	7.50	7.55
Sembawang	8.30	8.25
Shangrila	4.98	4.98
Sime Darby	2.52	2.50
SIA	12.20	12.30
S'pore Land	5.15	5.10
S'pore Press	8.50	8.50
Sing Steamship	2.44	2.47
Straits Trading	2.78	2.71
UOB	6.55	6.45
UOL	1.59	1.52

Straits Times Ind.: 1466.72
Previous: 1467.81

Stockholm

	Close	Prev.
AGA	393	398
Asea	N.Q.	N.A.
Astra A	556	557
Atlas Copco	333	325
Electrolux B	286	282
Ericsson	143	142
Esselte-A	150	146
Handelsbanken	65	66
Norsk Hydro	172	169
Procordia AF	187	189
Providentia	104	104
Sandvik A	400	403
SCA-A	128	122
S-E Banken	42	42
Skandia F	128	129
Skanska	121	119
SKF	121	120
Stora	313	314
Trelleborg B	131	132
Volvo	421	424

Affaersvaerlden: 1188.61
Previous: 1185.82

Sydney

	Close	Prev.
ANZ	4.35	4.34
BHP	14.34	14.26
Boral	3.41	3.42
Bougainville	0.36	0.37
Coles Myer	12.70	12.66
Comalco	3.95	3.93
CRA	14.74	14.70
CSR	4.60	4.63
Dunlop	5.63	5.63
Fosters Brew	1.95	1.94
Goodman Field	1.50	1.50
ICI Australia	5.64	5.65
Magellan	1.90	1.90
MIM	2.80	2.78
Nat Aust Bank	8	7.95
News Corp	22.52	22.42
Nine Network	N.A.	N.A.
Pioneer Int'l	3.23	3.23
Nmndy Poseidon	1.82	1.87
N Broken Hill	2.20	2.18
QCT Resources	1.10	1.08
Santos	2.76	2.72
TNT	2.09	2.08
Western Mining	5.32	5.25
Westpac Banking	3.71	3.73
Woodside	3.84	3.91

All ordinaries index: 1684.50
Previous: 1682.60

Tokyo

	Close	Prev.
Akai Electr	605	612
Asahi Chemical	668	679
Asahi Glass	1110	1100
Bank of Tokyo	1040	1080
Bridgestone	1160	1180
Canon	1440	1430
Casio	1250	1260
C.Itoh	441	450
Dai Nippon Print	1400	1450
Daiwa House	1800	1840
Daiwa Securities	862	869
Fanuc	4590	4600
Fuji Bank	1490	1530
Fuji Photo	2890	2920
Fujitsu	675	682
Hitachi	818	827
Hitachi Cable	681	683
Honda	1490	1550
Ito Yokado	4530	4500
Japan Airlines	742	736
Kajima	1080	1090
Kansai Power	2390	2380
Kawasaki Steel	299	306
Kirin Brewery	1250	1230
Komatsu	640	640
Kubota	532	532
Kyocera	4460	4460
Matsu Elec Inds	1380	1370
Matsu Elec Wks	1100	1130
Mitsubishi Bk	1890	1830
Mitsubishi Kasei	435	440
Mitsubishi Elec	496	503
Mitsubishi Hev	585	595
Mitsubishi Corp	1030	1070
Mitsui and Co	596	604
Mitsukoshi	865	877
Mitsumi	941	948
NEC	973	984
NGK Insulators	1000	1030
Nikko Securities	630	656
Nippon Kogaku	660	690
Nippon Oil	725	728
Nippon Steel	305	311
Nippon Yusen	502	512
Nissan	616	630
Nomura Sec	1420	1440
NTT	6420a	6460a
Olympus Optical	1280	1280
Pioneer	3830	3890
Ricoh	490	500
Sanyo Elec	479	491
Sharp	1300	1300
Shimazu	693	698
Shinetsu Chem	1480	1520
Sony	4280	4310
Sumitomo Bk	1460	1490
Sumitomo Chem	427	442
Sumi Marine	717	718
Sumitomo Metal	297	302
Taisei Corp	730	740
Taisho Marine	690	700
Takeda Chem	1120	1120
TDK	4370	4450
Teijin	440	454
Tokyo Marine	1050	1030
Tokyo Elec Pw	2800	2850
Toppan Printing	1120	1160
Toray Ind.	630	642
Toshiba	645	657
Toyota	1490	1500
Yamaichi Sec	577	580

a: x 100.
Nikkei 225: 18221
Previous: 18691
Topix Index: 1372
Previous: 1391

Toronto

	Close	Prev.
Abitibi Price	15⅛	14⅞
Agnico Eagle	4⅜	4⅜
Air Canada	5⅛	5⅛
Alberta Energy	12	12
Am Barrick Res	30	29½
BCE	44½	44⅛
Bk Nova Scotia	19⅜	19⅛
BC Gas	16	15⅞
BC Phone	20⅝	20⅝
BF Realty Hds	0.08	0.09
BP Canada	12	12
Bramalea	1.90	1.78
Brunswick	8⅛	8⅛
CAE	6⅛	6⅛
Campeau	N.Q.	—
CIBC	27⅜	27⅜
Canadian Pacific	17⅛	17⅛
Can Packers	16⅝	16⅝
Can Tire A	17⅛	17⅛
Canadian Turbo	N.Q.	—
Cantor	27½	27½
Cara	4.60	4.65
CCL Ind B	9⅛	9⅛
Cineplex	2.30	2.30
Cominco	20⅜	20⅜
Conwest Expl A	9	8½
Corona Int'l	7⅛	7⅛
Denison Min B	0.27	0.27
Dickenson Min A	4	4
Dofasco	13⅜	13⅜
Dylex A	3.80	3.90
Echo Bay Mines	N.Q.	—
Equity Silver A	0.96	1
FCA Int'l	7⅛	6⅞
Fed Ind A	6⅛	6½
Fletcher Chall A	14⅝	14⅝
FPI	4.05	4.05
GoldCorp	2⅝	2.85
Grafton Group	N.Q.	—
Gulf Cda Res	9⅞	9
Hees Int'l	12⅞	12⅞
Hemlo Gld Mines	9⅛	9⅛
Hollinger	9⅜	10⅛
Horsham	8⅛	8⅞
Hudson's Bay	30⅛	30⅛
Imasco	36⅛	37⅛
Inco	35⅛	35⅛
Interprov pipe	24⅛	24½
Jannock	15⅛	15⅛
Labatt	26⅛	26⅛
Loblaw Co	17½	17⅛
Mackenzie	5⅛	5⅞
Magna Intl A	32⅛	31⅛
Maritime	19⅛	19⅛
Mark Res	5	5
MacLean Hunter	11⅛	11⅛
Molson A	34½	34⅛
Noma Ind A	6⅛	6⅛
Noranda Inc	18⅛	18⅛
Noranda Forest	8⅛	8⅛
Norcen Energy	18½	18½
Nova Corp	8⅛	8½
Oshawa	17½	17½
Pagurin A	4½	4½
Placer Dome	13	12⅝
Poco Petroleum	4.45	4.45
PWA Corp	5⅛	5
Quebec Sturgeon	0.20	0.19
Rayrock	5½	5⅛
Renaissance	14⅛	14
Rogers B	13⅜	13⅜
Rothmans	90	90
Royal Bank Can	23⅛	22⅞
Royal TrustCo	6⅛	6⅛
Sceptre Res	0.67	0.70
Scott's Hosp	13⅜	13⅜
Seagram	141⅜	142
Sears Can	8⅛	8⅛
Shell Can	43⅛	43⅛
Sherritt Gordon	8⅛	8⅛
SHL Systemhse	15⅛	14⅛
Southam	17⅛	17⅛
Spar Aerospace	18⅛	17⅛
Stelco A	N.Q.	—
Teck B	18⅛	19
Thomson News	14⅛	14⅛
Toronto Domn	16⅛	16⅛
Torstar B	21⅛	21½
TransAlta Util	12⅛	12⅛
TransCda Pipe	16⅛	16⅛
Triton Finl A	8⅛	8⅛
Trimac	8⅛	8⅛
Trizec A	5⅛	5
Unicorp Energy	1.80	1⅜
Woodward's Ltd	1.0	1.05

TSE 300 Index: 3372.28
Previous: 3358.10

Zurich

	Close	Prev.
Adia Intl	364	331
Alusuisse	493	492
Leu Holdings	318	325
Brown Boveri	4310	4260
Ciba Geigy	3530	3510
CS Holding	1990	1990
Elektrow	2470	2470
Fischer	1185	1195
Interdiscount	2310	2350
Jelmoli	1330	1330
Landis Gyr	1010	980
Moevenpick	3700	3800
Nestle	10100	10050
Oerlikon-B	428	427
Pargesa Hld	1080	1080
Roche Holding B	3350	3335
Safra Republic	79	78
Sandoz	2750	2730
Schindler	4030	4000
Sulzer	570	573
Surveillance	7450	7310
Swissair	801	780
SBC	277	278
Swiss Reinsur	520	521
Swiss Volksbank	880	890
Union Bank	3860	3860
Winterthur	3360	3340
Zurich Ins	1980	1995

SBS Index: 671.50
Previous: 668.90

U.S. FUTURES

Via Associated Press May 22

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.29½	2.79	Jul	3.41	3.42½	3.38¾	3.42¼	+.02½
4.22	2.92	Sep	3.45	3.46½	3.43	3.46½	+.02¼
4.40	3.29½	Dec	3.52½	3.54	3.50¼	3.54	+.02½
4.18½	3.49½	Mar	3.51½	3.54½	3.51	3.54½	+.04¼
3.75	3.40¼	May	3.44	3.45	3.42	3.45	+.04½
3.72	3.02	Jul	3.27	3.30	3.27	3.28½	+.01½
3.55	3.43	Sep				3.35½	+.01½
Est. Sales 10,000 Prev. Sales 64,210							
Prev. Day Open Int. 252,295 up 2,870							
WHEAT (KCBT) 5,000 bu minimum- dollars per bushel							
		Jul	3.45	3.47	3.43½	3.45¼	— .00¼
		Sep	3.49	3.50¼	3.47½	3.49½	+ .01
		Dec	3.56½	3.57¾	3.55½	3.57	+ .00½
		Mar	3.56½	3.59	3.56½	3.57¼	+ .01¼
		May				3.48	+ .02
Est.Sales 14,745 Prv.Sales 3,453 Prev.Day Open Int 18,261 Chg. +448							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
2.85	2.39½	Jul	2.52¾	2.54	2.52	2.53	+.00¾
2.79½	2.34½	Sep	2.53½	2.55¼	2.53½	2.54¼	+.01¼
2.75¼	2.36½	Dec	2.55¼	2.56½	2.54½	2.56	+.02
2.81¼	2.54¼	Mar	2.62½	2.64½	2.62½	2.64	+.02½
2.84¼	2.59½	May	2.69	2.69¼	2.67½	2.69¼	+.03
2.82½	2.63¼	Jul	2.71	2.74	2.71	2.74	+.03
		Sep				2.66	+.03
2.66	2.54½	Dec	2.60	2.61	2.59½	2.61	+.01
Est. Sales 38,000 Prev. Sales 182,515							
Prev. Day Open Int. 1,126,335 up 9,012							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
6.48	5.62½	Jul	5.95	5.97¾	5.94	5.96	+.02¼
6.40	5.67½	Aug	5.99	6.00¾	5.98	5.99¼	+.02½
6.33¼	5.57	Sep	6.03½	6.05½	6.03	6.03¼	+.01½
6.41	5.52	Nov	6.10	6.11¼	6.08	6.09½	+.01¼
6.48½	5.58	Jan	6.17½	6.19	6.16½	6.17¼	+.01½
6.56	5.93	Mar	6.25½	6.27½	6.24½	6.26	+.03
6.60	6.12½	May	6.30½	6.31½	6.29½	6.30¼	+.02¼
6.66	6.17	Jul	6.34½	6.34½	6.33	6.33¼	+.01¼
6.20	5.98	Nov	6.05½	6.06	6.04	6.04	+.00¼
Est. Sales 32,000 Prev. Sales 305,235							
Prev. Day Open Int. 615,760 up 4,866							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
196.80	166.00	Jul	179.70	180.40	179.20	179.80	+.80
190.00	170.90	Aug	180.50	181.30	180.10	180.60	+.80
190.60	171.30	Sep	181.80	182.00	181.00	181.60	+1.00
207.80	182.30	Oct	198.40	199.80	198.40	198.70	+.60
208.80	183.50	Dec	198.40	199.50	198.10	198.80	+.90
208.80	190.80	Jan	198.80	199.50	198.80	199.20	+1.10
209.00	192.80	Mar	200.30	200.30	199.00	199.20	+1.00
207.50	199.50	May				200.20	+.70
208.00	206.00	Jul				200.20	+.50
Est. Sales 16,000 Prev. Sales 37,272							
Prev. Day Open Int. 57,175 off 4,117							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
24.38	19.25	Jul	20.52	20.64	20.52	20.54	+.03
22.30	19.42	Aug	20.67	20.78	20.67	20.69	+.02
22.30	19.57	Sep	20.88	21.00	20.88	20.91	+.03
22.30	19.66	Oct	21.02	21.15	21.02	21.05	+.02
22.60	19.93	Dec	21.32	21.43	21.31	21.34	+.01
22.38	20.05	Jan	21.46	21.53	21.45	21.47	
22.45	20.50	Mar	21.80	21.80	21.70	21.70	
22.45	21.00	May				21.95	
21.30	21.25	Jul				22.10	—.02
Est. Sales 10,000 Prev. Sales 18,813							
Prev. Day Open Int. 62,884 off 591							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
75.25	67.40	Jun	72.40	72.87	72.20	72.77	+.52
72.60	65.90	Aug	69.75	69.97	69.45	69.87	+.25
72.80	66.25	Oct	68.95	69.15	68.65	69.05	+.12
71.68	67.20	Dec	68.72	68.75	68.40	68.67	+.05
70.75	68.10	Feb	68.30	68.35	68.15	68.30	+.08
70.90	69.40	Apr	69.70	69.70	69.70	69.70	+.30
68.95	66.80	Jun	67.20	67.30	66.90	66.90	
Est. Sales 11,210 Prev. Sales 11,929							
Prev. Day Open Int. 79,543 off 2,049							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
83.08	72.65	Aug	75.40	75.60	75.27	75.42	+.10
82.20	72.15	Sep	74.75	74.85	74.50	74.62	—.13
79.30	72.30	Oct	74.50	74.60	74.25	74.32	—.03
83.00	73.50	Nov	74.80	74.85	74.62	74.67	—.03
Est. Sales 953 Prev. Sales 1,425							
Prev. Day Open Int. 10,221 off 364							
HOGS (CME) 40,000 lbs.- cents per lb.							
50.60	42.37	Jun	46.75	47.35	46.70	47.12	+.40
48.20	43.05	Jul	44.82	45.40	44.82	45.12	+.30
46.85	41.80	Aug	42.92	43.20	42.80	43.05	+.25
42.25	39.20	Oct	39.75	40.00	39.70	39.80	+.05
45.15	41.10	Dec	42.25	42.60	42.20	42.52	+.40
47.25	43.40	Feb	43.85	44.15	43.80	44.00	+.28
43.50	41.80	Apr	42.50	42.75	42.50	42.70	+.20
48.00	47.00	Jun	47.00	47.82	47.00	47.82	+.02
Est. Sales 4,072 Prev. Sales 5,125							
Prev. Day Open Int. 29,763 off 329							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
57.80	33.20	Jul	34.50	35.02	34.30	34.55	+.05
51.90	31.55	Aug	32.40	32.70	32.15	32.30	—.02
49.30	42.10	Feb	44.90	45.05	44.40	44.87	—.20
49.80	41.55	Mar	44.05	44.05	43.65	43.65	—.15
50.50	42.02	May	45.00	45.00	44.60	44.97	—.08
Est. Sales 2,113 Prev. Sales 4,779							
Prev. Day Open Int. 11,933 off 257							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
108.00	58.75	Jul	62.25	63.70	62.25	63.50	—.85
108.00	61.00	Sep	64.55	65.75	64.55	65.30	—.75
107.25	64.70	Dec	67.40	68.50	67.40	68.25	—.85
94.75	68.15	Mar	70.50	71.10	70.25	70.95	—.95
96.50	71.80	May	74.25	74.75	74.25	75.20	—.95
87.85	74.00	Jul	77.80	77.00	77.00	77.50	—1.00
84.00	76.25	Sep	78.50	79.00	79.00	79.50	—1.00
Est. Sales 4,910 Prev. Sales 7,795							
Prev. Day Open Int. 59,276 off 331							
SUGAR WORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
9.94	7.80	Jul	9.34	9.47	9.34	9.47	+.12
9.22	7.93	Oct	8.95	9.02	8.95	9.00	+.06
9.06	8.20	Mar	8.87	8.94	8.87	8.92	+.05
8.97	8.81	May	8.84			8.88	+.04
8.95	8.69	Jul	8.80			8.82	+.02
8.97	8.69	Oct	8.70	8.80	8.80	8.73	—.01
Est. Sales 7,300 Prev. Sales 11,978							
Prev. Day Open Int. 91,424 off 984							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1410	877	Jul	880	885	875	882	+1
1427	922	Sep	922	930	920	925	
1460	976	Dec	976	984	975	981	+5
1239	1025	Mar	1022	1033	1022	1029	+7
1518	1060	May	1052	1063	1054	1060	+6
1530	1088	Jul	1080			1090	+6
1536	1119	Sep	1110			1119	+7
1500	1168	Dec				1154	+7
Est. Sales 4,472 Prev. Sales 4,897							
Prev. Day Open Int. 48,512 up 27							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
175.50	115.25	Jul	133.30	133.85	131.70	133.70	+.40
175.00	116.50	Sep	124.85	125.10	123.80	124.75	+.45
165.50	111.00	Nov	115.50	116.50	115.50	115.50	—.05
143.00	110.40	Jan	115.50	115.50	114.50	114.80	+.05
145.00	110.15	Mar	115.80	115.80	115.50	114.80	+.05
122.75	115.00	May	114.50	115.50	115.50	115.00	+.50
130.00	115.75	Jul	114.50	115.50	115.50	115.00	+.50
116.00	116.80	Sep	114.50	115.50	115.50	115.00	+.50
Est. Sales 800 Prev. Sales 636							
Prev. Day Open Int. 9,719 up 37							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER (COMEX) 25,000 lbs.- cents per lb.							
106.20	93.30	May	100.90	101.45	100.90	101.30	+.40
104.80	95.10	Jun	100.85	101.35	100.85	101.25	+.45
103.80	92.80	Jul	101.15	101.45	100.95	101.25	+.35
102.80	95.70	Aug	101.00	101.00	101.00	101.40	+.30
102.45	92.80	Sep	101.20	101.35	101.00	101.30	+.30
102.50	95.90	Oct				101.30	+.30
102.00	96.00	Nov				101.30	+.25
102.15	91.60	Dec	101.15	101.50	101.05	101.35	+.15
101.35	2.50	Jan				101.15	+.15
101.10	99.40	Feb				100.95	+.15
102.50	92.80	Mar	100.60	100.75	100.60	100.75	+.15
100.60	100.35	Apr				100.60	+.15
101.25	93.70	May	100.10	100.10	100.10	100.25	+.15
101.15	95.80	Jul	99.80	99.80	99.45	99.80	+.15
101.25	95.80	Sep	99.35	99.50	99.35	99.40	+.15
101.05	97.00	Dec				98.90	+.15
		Jan				98.85	+.15
100.80	99.15	Mar				98.75	+.15
Est. Sales 3,000 Prev. Sales 3,616							
Prev. Day Open Int. 40,716 up 857							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
589.0	384.5	May	409.8	409.5	409.0	408.2	+1.9
412.0	408.0	Jun				408.6	+1.9
557.0	388.5	Jul	407.5	411.5	407.5	409.7	+2.0
483.0	395.8	Sep	411.5	414.0	411.0	412.7	+1.9
507.0	398.0	Dec	415.0	418.5	415.0	417.2	+1.8
505.0	412.0	Jan				418.8	+1.8
513.8	407.0	Mar	423.5	423.5	423.5	422.3	+1.8
473.8	411.8	May				426.0	+1.8
470.5	412.5	Jul				429.7	+1.8
469.0	418.0	Sep				433.9	+1.8
462.0	431.0	Dec	442.0	442.0	442.0	440.6	+1.8
447.0	441.0	Jan				443.4	+1.8
		Mar				447.6	+1.8
Est. Sales 4,600 Prev. Sales 7,320							
Prev. Day Open Int. 85,504 up 892							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
427.50	331.00	Jul	363.50	367.50	363.50	365.30	+4.60
404.00	336.00	Oct	367.50	371.00	368.00	368.90	+4.50
384.00	339.00	Jan	369.00	370.00	369.00	368.60	+4.40
409.90	349.00	Apr				369.10	+4.40
Est. Sales 2,416 Prev. Sales 695							
Prev. Day Open Int. 180 off 14,010							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
351.90	338.00	May				337.90	+.90
467.00	334.90	Jun	337.40	338.50	337.50	338.10	+.70
		Jul				338.90	+.70
426.50	336.60	Aug	339.30	340.20	339.30	339.80	+.70
410.80	338.50	Oct	341.80	341.90	341.50	341.60	+.70
406.80	340.40	Dec	343.20	343.90	343.20	343.60	+.70
404.20	343.00	Feb	345.90	345.90	345.90	345.80	+.60
410.00	346.00	Apr				348.00	+.60
411.80	347.70	Jun	350.50	350.50	350.50	350.50	+.60
395.50	352.60	Aug				353.20	+.60
395.60	365.60	Oct				355.90	+.50
383.00	354.60	Dec				358.60	+.50
364.50	364.50	Feb				361.60	+.50
Est. Sales 14,000 Prev. Sales 15,883							
Prev. Day Open Int. 164,195 up 4							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
96.49	93.15	Jun	96.32	96.33	96.29	96.31	+.02
96.33	93.87	Sep	96.10	96.13	96.09	96.12	+.05
95.94	93.98	Dec	95.63	95.69	95.61	95.68	+.06
95.73	.95	Mar	95.40	95.50	95.50	95.50	+.05
95.25	95.16	Jun	95.20		95.05	95.05	—.16
Est. Sales 3,206 Prev. Sales 5,466							
Prev. Day Open Int. 48,201							
5 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
106.075	102.005	Jun	104.280	105.075	104.280	105.060	+.770
105.015	102.030	Sep	103.250	104.025	103.250	104.015	+.775
101.140	101.120	Dec	102.280	102.315	102.280	102.315	+.890
Est. Sales 13,133 Prev. Sales 47,473							
Prev. Day Open Int. 133,552 off 3,514							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
106-9	98-11	Jun	103-8	103-24	103-8	103-21	+8
105-11	99-10	Sep	102-6	102-21	102-6	102-19	+9
103-28	99-15	Dec				101-15	+9
100-22	97-26	Mar				100-15	+10
Est. Sales 21,800 Prev. Sales 56,669							
Prev. Day Open Int. 113,671 off 5,997							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
104-16	85-3	Jun	100-14	100-30	100-10	100-27	+10
103-10	82-14	Sep	99-11	99-27	99-7	99-24	+10
102-9	85-6	Dec	98-12	98-25	98-5	98-22	+10
101-15	90-16	Mar	97-22	97-24	97-18	97-23	+9
100-14	90-22	Jun	96-27	96-27	96-23	96-26	+9
99-1	90	Sep	95-30	95-30	95-30	95-30	+8
98-15	93-8	Dec				95-5	+8
97	90	Mar				94-14	+8
97-17	91-6	Jun				93-26	+8
94-20	90-12	Sep				93-8	+8
92-19	91-19	Dec				92-24	+8
Est. Sales 180,000 Prev. Sales 335,474							
Prev. Day Open Int. 355,609 up 1,839							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
97-2	92-14	Jun	95-17	95-22	95-15	95-21	+7
95-10	92-8	Sep	94-17	94-21	94-17	94-21	+8
94-12	91-28	Dec				94-6	+8
Est. Sales 580 Prev. Sales 1,797							
Prev. Day Open Int. 10,727 off 134							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
96.17	90.35	Jun	96.00	96.03	95.99	96.00	+.02
95.94	90.32	Sep	95.68	95.71	95.66	95.70	+.05
95.35	90.34	Dec	95.01	95.06	94.97	95.08	+.08
94.94	93.56	Mar	94.85	94.92	94.81	94.91	+.10
94.71	90.27	Jun	94.36	94.42	94.34	94.41	+.08
94.21	90.27	Sep	93.88	93.91	93.85	93.91	+.07
93.65	90.22	Dec	93.32	93.26	93.28	93.34	+.07
93.06	90.28	Mar	93.19	93.22	93.15	93.21	+.07
93.53	90.48	Jun	92.92	92.96	92.92	92.97	+.07
93.01	90.36	Sep	92.70	92.74	92.69	92.74	+.07
92.65	90.71	Dec	92.38	92.41	92.34	92.40	+.07
93.50	90.24	Mar	92.33	92.36	92.31	92.37	+.07
92.50	90.71	Jun	92.18	92.20	92.13	92.19	+.06
92.36	91.31	Sep	92.05	92.07	92.01	92.06	+.06
92.39	91.18	Dec	91.81	91.82	91.77	91.82	+.06
92.66	90.75	Mar	91.84	91.86	91.80	91.85	+.06
Est. Sales 158,282 Prev. Sales 381,463							
Prev. Day Open Int. 1,424,978 up 36,625							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.8350	1.4510	Jun	1.8054	1.8120	1.8044	1.8100	—2
1.8096	1.6400	Sep	1.7810	1.7854	1.7780	1.7842	—2
1.7830	1.6280	Dec	1.7600	1.7600	1.7574	1.7618	—2
Est. Sales 7,825 Prev. Sales 12,887							
Prev. Day Open Int. 37,082							
CANADIAN DOLLAR (IMM) $ per dlr- 1 point equals $0.0001							
.8820	.8253	Jun	.8354	.8362	.8349	.8350	+9
.8774	.8191	Sep	.8305	.8312	.8303	.8303	+10
.8740	.8130	Dec	.8276	.8278	.8265	.8265	+17
.8710	.8118	Mar				.8238	
.8230	.8060	Jun	.8190	.8190		.8167	
.8150	.8035	Sep				.8126	
Est. Sales 2,714 Prev. Sales 1,844							
Prev. Day Open Int. 25,987 off 10							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.6490	.5322	Jun	.6139	.6168	.6134	.6156	—13
.6490	.5685	Sep	.6057	.6082	.6059	.6071	—13
.6106	.5790	Dec	.6005	.6005	.5990	.5996	—11
.6030	.5734	Mar	.5925	.5940	.5925	.5934	—3
		Jun				.5885	
Est. Sales 28,990 Prev. Sales 43,355							
Prev. Day Open Int. 90,743 off 1,719							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008122	.007150	Jun	.007707	.007734	.007701	.007732	+48
.007903	.007450	Sep	.007692	.007722	.007689	.007719	+49
.008045	.007410	Dec	.007712	.007712	.007712	.007714	+50
.007738	.007445	Mar				.007722	+54
Est. Sales 14,333 Prev. Sales 12,829							
Prev. Day Open Int. 64,094 off 1,244							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7326	.6405	Jun	.6670	.6709	.6662	.6699	—19
.7230	.6335	Sep	.6590	.6627	.6583	.6618	—19
.6670	.6280	Dec	.6535	.6550	.6510	.6550	—19
Est. Sales 13,943 Prev. Sales 16,110							
Prev. Day Open Int. 36,444 off 1,594							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
77.70	54.80	Jul	57.00	57.54	56.59	56.67	—.38
78.60	57.46	Oct	59.00	59.38	58.58	58.50	—.45
69.80	58.45	Dec	59.30	59.50	58.40	58.71	—.48
67.30	59.90	Mar	60.75	60.80	59.90	60.00	—.57
64.75	60.40	May	61.35	61.35	61.35	60.40	—.79
65.20	61.00	Jul	61.50	61.50	61.50	60.78	—.85
64.49	63.50	Oct	60.00			59.85	—.95
Est. Sales 8,500 Prev. Sales 11,879							
Prev. Day Open Int. 38,676 up 853							
HEATING OIL (NYME) 42,000 gal- cents per gal							
60.20	48.00	Jun	55.95	56.65	55.75	56.20	+.12
59.65	49.58	Jul	56.15	56.95	56.00	56.45	+.07
59.75	50.70	Aug	56.80	57.58	56.80	57.15	
60.90	52.30	Sep	58.10	58.65	58.10	58.50	+.15
61.70	53.15	Oct	59.00	59.40	59.30	59.50	+.17
62.60	54.30	Nov	60.40	60.40	60.40	60.40	+.18
63.50	55.25	Dec	61.00	61.20	61.00	61.25	+.32
63.75	55.50	Jan	61.95	61.95	61.50	61.80	+.28
57.40	52.25	Apr	56.50	56.75	56.50	56.75	+.43
Est. Sales 25,381 Prev. Sales 36,454							
Prev. Day Open Int. 89,432 up 1,566							
LIGHT SWEET CRUDE (NYME) 1,000 bbl.- dollars per bbl.							
22.11	17.90	Jul	20.84	20.97	20.69	20.94	+.04
21.90	17.75	Aug	20.92	21.00	20.76	20.99	+.03
24.00	17.78	Sep	20.97	21.04	20.82	21.03	+.02
21.56	18.42	Oct	20.94	21.04	20.80	21.03	+.03
21.48	18.50	Nov	20.90	21.00	20.77	20.96	+.02
24.00	18.25	Dec	20.87	20.97	20.71	20.92	+.01
21.36	18.42	Jan	20.75	20.90	20.67	20.80	
21.29	18.47	Feb	20.80	20.83	20.63	20.74	—.01
20.68	18.76	Mar	20.70	20.70	20.65	20.74	—.02
21.14	18.75	Apr	20.65	20.65	20.54	20.68	—.03
21.20	18.93	May	20.55	20.55	20.55	20.64	—.04
21.35	19.67	Jun	20.78	20.55	20.46	20.61	—.05
20.45	19.97	Jul	20.55	20.55	20.53	20.58	—.05
20.35	19.96	Aug				20.56	—.06
21.13	19.90	Sep	20.50	20.50	20.50	20.56	—.07
20.32	19.20	Oct	20.53	20.53	20.53	20.56	—.08
20.50	20.24	Nov	20.55	20.55	20.55	20.58	—.08
20.45	19.04	Dec	20.40	20.40	20.40	20.61	—.08
20.50	19.25	Mar				20.64	—.08
20.50	20.50	Jun	20.70	20.70	20.70	20.69	—.09
Est. Sales 74,146 Prev. Sales 99,598							
Prev. Day Open Int. 329,797 up 18,275							
UNLEADED GASOLINE (NYME) 42,000 gal- cents per gal							
62.70	56.80	Jun	63.10	64.00	62.10	63.94	+.65
64.20	58.20	Jul	63.70	64.40	63.70	64.24	+.37
64.95	58.35	Aug	63.05	63.95	63.25	63.74	+.36
63.00	54.65	Sep	61.80	61.95	61.65	61.89	+.33
60.20	53.70	Oct	59.10	59.10	59.10	59.14	+.26
58.30	53.00	Nov				57.84	+.36
58.00	53.50	Dec	57.00	57.10	57.00	57.04	+.34
57.40	54.65	Jan				56.84	+.34
		Feb				56.84	+.34
Est. Sales 26,905 Prev. Sales 24,630							
Prev. Day Open Int. 74,763 off 1,979							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
424.20	374.50	Jun	413.30	415.35	413.00	414.35	+1.45
425.20	379.80	Sep	414.40	416.35	414.10	415.35	+1.50
423.80	385.50	Dec	415.90	417.20		416.40	+1.40
423.80	397.50	Mar	419.35	419.70	418.60	418.60	+1.40
Est. Sales Prev. Sales 51,010							
Prev. Day Open Int. 146,319 up 1,491							
NYSE COMP. INDEX (NYFE) points and cents							
233.50	206.50	Jun	227.40	228.80	227.50	228.15	+.80
232.65	212.55	Sep	228.30	229.00	227.95	228.54	+.80
234.00	218.25	Dec	228.50	229.50	227.80	229.05	+.80
225.00	225.00	Mar				229.55	+.80
Est. Sales Prev. Sales 5,408							
Prev. Day Open Int. 5,162 up 382							

Commodity Indexes

	Close	Previous
Moody's	1,082.00	1,089.50
Reuters	1,583.50	1,597.00
D.J. Futures	117.12	117.25
Com. Research	205.85	204.80

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

EC Clears Krupp Takeover of Hoesch

Compiled by Our Staff From Dispatches

ESSEN, Germany — The EC Commission on Friday approved the takeover of Hoesch AG by another German steelmaker, Fried. Krupp AG, and the two companies announced terms for the deal that indicate a value of 13 billion Deutsche marks ($8.04 billion) for the combined company.

In Brussels, the European Community's executive body said the merger would not create or strengthen a dominant position in steel and was therefore acceptable under competition rules of the European Coal and Steel Community Treaty. The joint company would be smaller than four other EC steelmakers, the commission said.

In a joint statement, Krupp, based in Essen, and Hoesch, based in Dortmund, said Hoesch shareholders would receive 13 Krupp shares for every 10 Hoesch shares, plus a cash payment of 6 DM for each Hoesch share.

The statement said the share ratio was calculated on the basis of company valuations compiled by independent auditors, the companies' capital bases and Krupp's stake of 51 percent in Hoesch.

The companies did not say what those valuations were, but sources close to the merger negotiations said Hoesch and Krupp have roughly the same value if Krupp's stake in Hoesch is excluded.

The sources said independent auditors valued Krupp at 5.28 billion DM and Krupp at 7.73 billion including its stake in Hoesch.

German stock markets reacted positively to the news, driving Hoesch shares up 2 DM, to close at 272 DM, in Frankfurt.

Krupp, privately held, is not yet listed on the stock market, but shares in its 95 percent-held steel subsidiary, Krupp Stahl AG, jumped 8.40 DM, to 154.90 DM each.

An adviser close to the negotiations said the listing of Fried. Krupp shares on the stock exchange was being prepared. No final price *had been set for Krupp shares, although the* proposed share swap, which must be approved by shareholders, would imply a Krupp price of around 212 DM.

Terms of the deal, a 13-for-10 stock swap with a cash sweetener, indicate a combined company value of 13 billion DM.

The sources close to the negotiations also *said that two main shareholders — the Krupp* family foundation and the government of Iran — would jointly own a stake of more than 75 percent in the new company that is to be set up through the merger.

Alfred Krupp von Bohlen und Halbach-Stiftung, which had a stake of 74.99 percent in the old Fried. Krupp, would own more than 50 percent in the new company, while Iran would hold about 25 percent. Iran has held a stake in Krupp since the days of the Shah.

Krupp launched its surprise bid for Hoesch last October after accumulating 24.9 percent of Hoesch shares. In December, it announced it had more than doubled its stake.

Hoesch was initially cool to the merger, but eventually acquiesced. The deal has been approved by Germany's Cartel Office.

Friday's joint statement said the merger was being carried out as a balanced integration, and noted that Krupp had agreed that Hoesch's name would be represented in the name of the merged concern.

The statement said intensive negotiations were under way about the structure of the new company.

A restructuring plan developed by Hoesch's management board chairman, Kajo Neukirchen, and unveiled just days before Krupp launched its bid would play an integral role, the statement said.

It repeated that the merger would in time result in annual savings of about 460 million DM. It would also result in "interesting future prospects for workers, customers, suppliers and banks," it added.

Unions have expressed fears that the merged company will make its cost savings by cutting large numbers of jobs.

The companies said Krupp had raised its nominal capital base by 70 million DM, to 770 million DM.

Agnellis Buy 2% Stake In Accor for $58 Million

Compiled by Our Staff From Dispatches

PARIS — A holding company affiliated with Italy's Agnelli family has bought a 2 percent stake in Accor SA for 70 billion lire ($58 million), the French hotel group said Friday.

A spokesman for the holding company, known as IFIL, said the purchase on the Paris Bourse had been made with Accor's approval over the past few months, and that IFIL would have a seat on the Accor board.

The move by the Agnellis, who control the Fiat industrial empire, marks the family's first move into France since another of their companies retreated from the Perrier takeover battle in March and left the mineral water company to Nestlé SA. The Agnellis ended up, however, with control over other assets of Perrier's top shareholder, Exor SA, including the Château Margaux wine business.

The stake announced Friday strengthens a relationship between IFIL and Accor that began two years ago when the two set up the Sifalberghi joint venture to build and manage hotels in Italy. IFIL last year acquired a 50 percent stake in Accor's Novotel Italia unit.

The two joint ventures will merge this year, creating a group with eight existing hotels and six under construction, IFIL said. The group will have 2,300 rooms.

Accor's stock gained 2 francs, to close at 796 francs a share, on the Bourse.

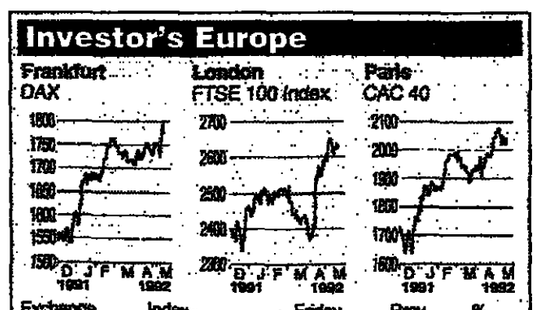
Accor, which is acquiring Compagnie Internationale des Wagons-Lits & du Tourisme, has said it expects to increase its net profit 10.7 percent this year, to 1.05 billion francs ($193 million). In addition to its Novotel hotels, it runs chains under the Sofitel and Mercure names.

In Milan, IFIL reported separately Friday that its consolidated *net profit for 1991 had risen* 42 percent, to 162.5 billion lire. The holding company attributed the increase to an expanded presence in the hotel and food sectors.

*IFIL, whose full name is IFIL-*Finanziaria di Partecipazioni SpA, controls Fiat SpA together with its parent IFI SpA.

IFIL raised its dividend on common stock 8 percent, to 130 lire a share, and it raised its savings stock dividend 7 percent, to 150 lire a share. *(Bloomberg, Reuters)*

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	130.48	130.09	+0.31
Brussels	Stock Index	5,898.29	5,897.97	+0.01
Frankfurt	DAX	1,802.96	1,785.48	+0.98
Frankfurt	FAZ	722.03	719.29	+0.38
Helsinki	HEX	844.27	841.96	+0.27
London	Financial Times 30	2,143.70	2,141.90	+0.36
London	FTSE 100	2,715.00	2,702.00	+0.48
Madrid	General Index	259.76	260.60	-0.32
Milan	MIB	976.00	966.00	+1.04
Paris	CAC 40	2,045.12	2,016.83	+1.40
Stockholm	Affarsvarlden	1,108.61	1,105.02	+0.32
Vienna	Stock Index	443.78	443.64	+0.03
Zurich	SBS	668.98	668.90	Unch.

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- **Volvo's** acquisition of the operating assets of its independent British passenger car importer and distributor, **Volvo Concessionaires Ltd.**, was approved by the EC Commission.
- **Sandvik AB**, the Swedish steel and tool maker, reported on Friday a 16 percent fall in first-quarter profit, to 472 million kronor ($79 million), on sales of 4.16 billion kronor.
- **Airbus Industrie** is seeking customers for its planned A-319 jet, a shortened A-320 that will carry 124 passengers, with a range of up to 4,000 kilometers (1,400 miles), and hopes the plane will enter service in 1995.
- **Lasmo PLC** said it sold 10.1 million shares in **Lasmo Canada Inc.**, representing half its 57 percent shareholding in the company, for 8.25 Canadian dollars ($6.86) a share, or a total 83.2 million Canadian dollars.
- **The Confederation of British Industry** forecast the British economy would return to growth in the second quarter of 1992 and expand 0.9 percent for the year, but it did not predict a fast recovery from recession.
- **Paris** dealers applauded the end next month of the daily fixing sessions of foreign currency that had been held for the last 15 years in a special room at the **Paris Bourse**, to be replaced by a daily list of reference rates published by the central bank at 4:30 P.M. local time.

Bloomberg, AFX, Reuters

German Data Cheer Markets, but No Rate Cut Seen

Reuters

FRANKFURT — German financial markets jumped on Friday in response to a sharp slowdown in growth in money supply. But both the Bundesbank and the economics minister, Jürgen Möllemann, said no rapid relaxation of tight monetary policies could be expected.

The central bank announced *that M-3 money supply*, a barometer of future inflationary trends, had risen at an annual rate of 8.8 percent in April. That was well below the 9.4 percent rise in March.

Stock and bond markets, scenting lower Bundesbank interest rates on signs that inflationary pressures might be easing, reacted positively.

Bunds futures prices surged to a high of 87.93 from an 87.64 opening and the news helped the 30-share DAX index jump above the 1,800 barrier for the first time in 21 months, closing up 17.48 points, or 1 percent, at 1,802.96.

Still, the Bundesbank warned that M-3 growth remained robust and clearly outside the 3.5 percent to 5.5. percent growth target the central bank has set for this year.

Mr. Möllemann, speaking at a working session of the French-German summit meeting in La Rochelle, France, said Bonn's problems with inflation and the cost of *rebuilding East Germany left no* room for cutting interest rates as France and others of Germany's European partners would like.

Dealers on the German money markets noted that the Bundesbank had indicated via its open market transactions on Friday that it had no intention of allowing any significant drop in prevailing short-term interest rates.

"There is no reason for the Bundesbank to alter monetary policies. It will stay restrictive," said Hermann Remsperger, chief economist at Berliner Handels- & Frankfurter Bank.

Fokker Seeks Leading Role

AMSTERDAM — Fokker NV, the Dutch aircraft manufacturer, is insisting on the leading position in any consortium that results from negotiations with other European aerospace companies.

"Fokker will be the lead company in developing, building and selling aircraft," no matter how the consortium is structured, Bart van Veen, a Fokker spokesman, said Friday.

The comments followed an announcement late Thursday that Deutsche Aerospace AG would take a 51 percent stake in Fokker.

Fokker began partnership talks with the German company six weeks ago. Since then, Aerospatiale of France and Alenia SpA of Italy have expressed an interest in forming a consortium. Fokker said other companies would be allowed to join only if they did not develop competing aircraft. *(AP, AFP)*

TRADE: *Resistance on GATT Despite Breakthrough*

(Continued from page 1)

President François Mitterrand told reporters in La Rochelle, France, where he was meeting with Chancellor Helmut Kohl, "I absolutely cannot set a date." Mr. Delors is president of the EC Commission.

Mr. Kohl called for "a compromise from other GATT negotiating partners." Jürgen Möllemann, Germany's economics minister, said the United States should now "show necessary cooperation in areas which are still open, especially services and intellectual property."

But Louis Mermaz, France's farm minister, held out little hope for an early breakthrough. He contended that no agreement was possible until after the U.S. presidential election in November.

Many analysts agree that the White House is not prepared to run the risk of rejection of a GATT package in Congress this year, particularly as the United States is tantalizingly close to a North American free trade agreement with Mexico and Canada that would also have to run the legislative gauntlet. Nor would President George Bush's advisers want him to become the focus of any dispute over the pact during the presidential campaign.

U.S. officials insist that they are still ready to cut a deal, as long as it can be sold as benefiting American farmers and business interests.

"We really have to get a GATT agreement done," Barbara Franklin, U.S. secretary of commerce, said in an interview earlier this week. "The sooner, the better."

Talks between EC and U.S. trade negotiators will resume next week in Washington.

Long-waiting officials at the Geneva-based GATT did not know Friday whether to laugh or cry.

"This is certainly a step in the right direction," a senior trade official said. "But whether this is going to turn into yet another disappointment, well, we'll just have to wait and see."

Arthur Dunkel, GATT's director-general, was characteristically cautious.

"Every step taken by participants in the Uruguay Round which contributes to the objectives of the *overall agricultural reform* package under consideration in Geneva has to be welcomed," Mr. Dunkel said. "But, of course, the other participants in the round will wish to look very closely at the Community's decisions as part of a continuing multilateral negotiation."

John Kerin, trade minister of Australia, held *out* hope that the EC decision, for all its compromises, signaled a fundamental change.

"We are not completely happy," he said, "but at least it's a change in the right direction. The lunacy looks like it might stop at last."

BONDS: *Japan Bids Farewell to Low-Cost Borrowing*

(Continued from page 1)

the financial world by issuing $800 million worth of bonds with an interest cost of just 1.14 percent.

Raising money at such a ridiculously low cost was possible at that time because the Tokyo stock market was surging, and Toyota could entice investors to buy its bonds by giving them special rights to buy its shares and thus profit on the market's upward swing.

But now that Japanese stock prices have collapsed, that game is *over; meanwhile, the old* low-cost bonds mature in July. So Toyota is giving up its cut-rate funding — and in coming months, hundreds of Japanese companies that used similar financing methods in the late 1980s will follow suit.

According to Sanwa Bank, $186 billion in equity-linked bonds issued during the bubbly 1986-89 period are coming due in the next four years, $75 billion of them in 1993. So while Toyota may be one of the first, and the biggest, among Japanese companies to raise higher-cost money, its bond issue announced Thursday is just the beginning.

One result is that the playing field of global competition will become more level.

"Not so long ago it seemed that other countries were at the mercy *of a Japanese juggernaut*, strengthened by many factors, including a highly advantageous cost of capital," wrote Richard P. Mattione, a Tokyo-based economist for J.P. Morgan & Co., in a study last month. "Today, one must turn the *question around*: Does Japan suffer a cost of capital disadvantage now?"

The answer, Mr. Mattione concluded, is yes; for the first time in years, Japanese companies actually have to pay more to raise money than U.S. companies do — although the disadvantage Japan now suffers "is very modest," compared with the edge it recently enjoyed.

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Adidas Cutting 500 Jobs in France

Reuters

LANDERSHEIM, France — The sporting goods manufacturer Adidas AG, controlled by Bernard Tapie, is to cut 499 jobs at four sites in eastern France, the management of its French arm said on Friday.

The plants, run by Adidas-Sarragan-France, now employ 1,400 people making sports shoes and balls.

Adidas, based in Herzogenaurach, Germany, announced this week a halving in net profit, to 44 million Deutsche marks ($27.3 million), in 1991. Mr. Tapie, the entrepreneur who is the French government's minister of urban affairs, last week denied newspaper speculation that he was considering pulling out of Adidas.

SIGNS: *Weedy Lawns, Stray Pets Give Homely Evidence of Hard Times*

(Continued from first finance page)

industry reaped increasing profits. Since then, however, no statistics have been kept: "The industry magazine that did the survey went out of business," she says.

Deb Strohmaier, manager for public relations for ChemLawn Corp., a weed-killer and lawn-fertilizer service in 44 states and Canada, reports, "Our numbers are off. We've gone down the last couple of years, much of it due to the recession." The company's net sales in 1990: $382 million. In 1991: $355 million. "It's really scary," she says.

●●●

When life is made challenging by evading bill collectors and juggling checkbooks, many Americans get religion. The head-counters at Gallup in a poll last month noted a "steady upturn in religious behavior and attitudes," a 2 percent leap to faith between 1990 and 1991 in people who said religion was "very important."

●●●

Economically strapped Americans sometimes dump the family dog. "Yes, the numbers are up when economic times are hard," a spokeswoman for the American Humane Association, headquartered in Denver, says of abandoned pets.

●●●

When you wake up in the morning with the phrase "every day low price" singing in your head, you know it's still the recession. Ads celebrating *"75 percent off!"* are another clue to retailer blues that is seldom seen when times are good and Americans are spending like good consumers.

This is evident in the burgermeister wars that have bloodied the top American fast-food restaurants. But The Trends Journal notes a positive indication emerging from the golden-arches mentality: "After nearly a year of overly aggressive discounting, most of the big names are increasing prices on individual items, touting the higher end of their menus and steering customers to higher-margin combination dinners," it reports. So the stronger the recovery, the less you have it your way.

●●●

Typically in hard times, liquor is among the last luxuries to go. In February, a Gallup Poll found that after two consecutive years of decline in the number of "drinkers," Americans are returning to alcohol consumption. Nearly two-thirds of those interviewed identified themselves as drinkers, up from 57 percent in 1990. It is the highest drinking figure since the recessionary year 1981 when 70 percent said they sometimes drink a bit.

Another old standard is the bar rule: During good financial times, bar patrons more often include both sexes; when times are rough, men more often head to bars by themselves. The Gallup Poll noted that while more Americans are again drinking alcoholic beverages, fewer women are drinking than a decade ago — with 42 percent of them saying they practice "total abstinence."

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Finland	F.M.	2,200	3,640	1,200
France	F.F.	1,800	3,094	990
Germany (mail)	D.M.	665	1,092	365
— *hand delivery	D.M.	810	1,092	416
Great Britain	£	190	291	105
Greece	Dr.	65,000	91,000	36,000
Ireland	I£.	220	346	120
Italy	Lire	450,000	800,800	250,000
Luxembourg	L.Fr.	13,000	20,020	7,100
Netherlands	Fl.	710	1,183	390
Norway	N.Kr.	3,300	5,096	1,800
Portugal	Esc.	45,000	76,440	25,000
Spain	Ptas.	45,000	69,160	25,000
— **hand delv. Madrid	Ptas.	55,000	69,160	27,500
Sweden (airmail)	S.Kr.	2,900	4,368	1,600
— hand delivery	S.Kr.	3,300	4,368	1,800
Switzerland	S.Fr.	590	1,092	330
Rest of Europe, N. Africa, former French Africa, Middle East	$	630	—	345
Rest of Africa, Gulf States, Asia Central/Latin America	$	780	—	430

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NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

NASDAQ

Friday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

AMEX

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
A										
8⅞	8¼	AIM Str	.63	7.4	–	214	8⅝	8½	8½	– ⅛
7	2⅝	ALC	–	–	–	20	4½	4⅜	4⅜	– ⅛
…										
25¾	13¼	Wolf ...								
26	14	Ziegler	.52a	2.9	11	1	17⅞	17⅞	17⅞	–

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

Daiei to Buy Stake in Recruit

Founder, Charged in Scandal, to Sell Shares

Compiled by Our Staff From Dispatches

TOKYO — Daiei Inc., which operates Japan's biggest supermarket chain, said Friday that it would buy about a one-third stake in Recruit Co., the information company at the heart of a stock scandal that rocked the government in the late 1980s.

Daiei will buy 9.5 million shares from Hiromasa Ezoe, founder and former chairman of Recruit, who is on trial for his role in the scandal. No price was disclosed, but media reports estimated that Daiei would pay up to 100 billion yen ($775 million) for the 31.8 percent stake.

Mr. Ezoe has been charged for his alleged role in masterminding a plan to influence businessmen and government officials by distributing shares and money in return for favors for his information business. The scandal brought down the government of Noboru Takeshita in 1989.

"As I am still on trial," Mr. Ezoe said, "I felt it was necessary to hand over the shares to a large corporation."

Despite resigning as chairman, Mr. Ezoe has retained considerable influence as the top shareholder in Recruit, an information services giant that specializes in job placement magazines.

Under the agreement, Isao Nakauchi, Daiei's chairman and president, who will become chairman of Recruit in June. Mr. Nakauchi is known for an aggressive style and a penchant for buyouts.

"We would like to use Recruit's know-how to become a comprehensive information company," Mr. Nakauchi said.

Mr. Nakauchi said he had received the offer from the former Recruit chairman about a week ago. But he denied speculation that Daiei planned to make a full takeover of the company.

Daiei shares surged 28 yen on Friday, to 941 yen, on news of the deal in part because of assets held by Recruit, including some prime property in downtown Tokyo, and because of the growth potential of Recruit's information and publishing business, analysts said.

But Recruit's financial woes, combined with Daiei's own heavy debt burden and patchy record in turning prior buyouts into profit, led some analysts to doubt how well Mr. Nakauchi's latest deal would turn out.

"This is a high-risk, high-return investment for Daiei," said Horoshi Seto, analyst at Nikko Research Institute.

"The premise of the deal is that Daiei gets into the service business, but they will have to reorganize the Recruit group," he said. "If they succeed, it will be very good, but the risk involved in the reorganization is very high."

The combined debt of Recruit and its two real estate units, Recruit Cosmos Co. and First Finance Co., is 1.8 trillion yen, a Recruit official said.

Industry sources said Recruit expects the agreement to help restructure the two real estate units and other subsidiaries that have faced serious financial problems following the bursting of Japan's "bubble" economy.

Following the acquisition, Daiei will become the second-largest shareholder in Recruit, after a Recruit employees group that has a 35.2 percent stake, Mr. Nakauchi said.

The acquisition offers Daiei a chance to expand into the information industry, a field the supermarket operator has been striving to enter since it began publishing magazines in 1985.

While still a relative newcomer to publishing, Daiei is an old hand at mergers and acquisitions.

Daiei, which also runs hotels, restaurants and credit services, has strategic holdings in large retailers such as Chujitsuya Co. and Maruetsu Inc. and also recently gained a controlling interest in Nippon Dream Kanko Co., a leisure service company.

(Bloomberg, Reuters, AFP)

IBM-Apple Multimedia Standard

The Associated Press

TOKYO — International Business Machines Corp. and Apple Computer Inc. said Friday they were recruiting major Japanese electronics companies to establish an international multimedia standard.

Company executives said they had approached a number of Japanese electronics companies seeking support for a new joint venture, Kaleida, to be formed to establish a multimedia standard.

Multimedia is a new kind of technology that combines images, sound and data. It is expected to help merge computers and home electronics equipment such as televisions, videocassette recorders and game machines.

The two U.S. computer makers refused to say which companies had been contacted, although Apple said non-Japanese concerns were included. Sony Corp., Matsushita Electric Industrial Co., NEC Corp., Hitachi Ltd. and Sharp Corp. said that had been contacted, and all but Sharp said they were considering the proposal. None would elaborate.

NEC said its participation was unlikely if the Kaleida standard was similar to a multimedia standard being developed by Microsoft Corp., the U.S. software company.

The economic newspaper Nihon Keizai Shimbun said Toshiba, as well as European makers such as Philips Electronics N.V. and Thomson Consumer Electronics, also were approached.

Shanghai Plans Market For Futures

Reuters

BEIJING — After opening China's first stock market, Shanghai plans to launch the country's first futures exchange within a few days.

China's largest city hopes the metals exchange will expand to become the biggest futures market in Asia and help restore Shanghai's *former* glory as the commercial and financial hub of the region, a local newspaper reported on Friday.

Meanwhile, Shanghai authorities lifted all restrictions on stock-price fluctuations on Thursday, sending prices surging.

The index more than doubled to close at 1,265.79 on Thursday from a previous close of 616.64. Prices continued to rise on Friday but at a slower pace. The index added 73.5 points on Friday.

The exchange, which reopened in 1990 after closing in 1949 with the Communist takeover, now lists 12 shares including one B-class share for foreign investors, the television components maker Shanghai Vacuum Electron Device Co.

Under the old system, 12 listed shares were restricted to daily movements of 5 percent, while three including Shanghai Vacuum could fluctuate freely.

The exchange also expanded trading hours by one hour, to four hours on Thursday.

Futures trading is a major step forward in China's economic reform program designed to revive state-run industries with market-oriented measures.

Even more than stock trading, *futures transactions have been* viewed ever since the Communist revolution as a form of gambling, one of the "six evils" along with slave-trading, drug dealing, prostitution, superstition and pornography.

The Liberation Daily newspaper said Shanghai people "passionately hoped" that futures trading in nonferrous metals would lead the way to Shanghai becoming Asia's largest *futures market, offering a range* of contracts from agricultural products to raw materials.

The paper noted that Shanghai was China's main eastern port and had excellent communications.

Battered Mazda Expects Another Difficult Year

Compiled by Our Staff From Dispatches

TOKYO — Mazda Motor Corp. said Friday that its profit in the financial year that just ended fell 60 percent from the year before, and it forecast a further 24 percent decline this year because of rising operating costs and long-term debt.

Mazda, 23.9 percent of which is owned by Ford Motor Co., said parent current profit was 19.67 billion yen ($151.8 million) in the year to March 31, 1992, down sharply from 49.13 billion yen the previous year.

A weak global auto market, rising operating costs and a higher yen took a bite out of Mazda's sales, which *fell 3.2 percent, to 1.4* million units. In yen terms, revenue edged up 3.1 percent, to 2.30 trillion yen. Net profit tumbled 65.7 percent, to 9.27 billion yen.

Domestic sales fell 8.3 percent, to 549,627 units, while exports rose by 0.4 percent, to 859,638 units, with rising demand in the Middle East, Canada and South America.

Japan's auto market weakened in the financial year as stable demand for mid-size cars was offset by lower demand for subcompact and micro-minicars such as the Familia and Autozam Carol models. Exports were also sluggish due to increased local production and weaker demand in the United States, Europe and Southeast Asia, the company said.

It said prospects for domestic demand remain gloomy, although it saw signs of recovery in the United States.

Mazda's earnings repeat a tale told by Japan's larger companies. Caught off guard by slower demand overseas and at home, revenues were unable to keep pace with mounting research and depreciation costs. Mazda recently completed a factory in Hofu, Japan.

Mazda said that it plans to cut capital expenditure by 9.3 percent this year.

Still, costs for developing new cars, for labor and for marketing are all rising this year. In addition, the company's long term debt from its recent expansion will continue to depress earnings this year.

Mazda predicted parent current profit would fall to 15 billion yen in the current year, on sales of 2.43 trillion yen, a 5.6 percent gain.

(Bloomberg, AP, Reuters)

JVC Posts Loss, Pioneer Profit Slides

Compiled by Our Staff From Dispatches

TOKYO — Victor Co. of Japan on Friday posted a consolidated pretax loss of 7.02 billion yen ($54 million) for the year ended March 31, while Pioneer Electronic Corp. reported a 19 percent drop in profit.

Both companies blamed the global economic slowdown.

JVC cited the shrinking of the world audiovisual market, particularly in Japan, the United States and Europe. The absence of hit products also hurt profit, it said. A year earlier, JVC posted a profit of 26.31 billion yen. For the current year, JVC predicted pretax profit of 3 billion yen.

*Pioneer also faulted the decline in demand for the drop in its consoli*dated pretax profit to 58.7 billion yen. *(AP, Reuters)*

Thai Stocks Fall on Coup Rumor

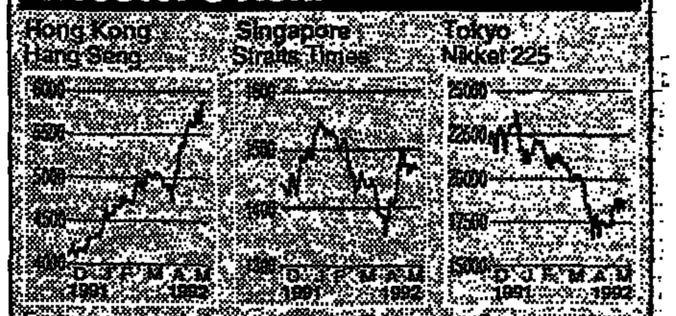
Agence France-Presse

BANGKOK — The Stock Exchange of Thailand dropped 20.16 points on Friday, despite a last-minute bout of bargain hunting, because of rumors that the military might stage a weekend coup, brokers said.

The index closed at 718.51 points, while volume totaled 5.54 billion baht ($217.2 million).

The index had spurted 61.3 points on Thursday, the day after King Bhumibol Adulyadej intervened to end four days of street violence in Bangkok that claimed more than 100 lives.

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	5,859.58	5,865.81	-0.10
Singapore	Straits Times	1,468.72	1,467.81	-0.07
Sydney	All Ordinaries	1,684.50	1,682.60	+0.11
Tokyo	Nikkei 225	18,221.00	18,691.29	-2.52
Kuala Lumpur	Composite	592.36	592.86	-0.08
Bangkok	SET	718.51	738.67	-2.73
Seoul	Composite Stock	582.88	573.89	+1.58
Taipei	Weighted Price	4,623.94	4,583.67	+1.32
Manila	Composite	1,379.69	1,376.80	+0.21
Jakarta	Stock Index	295.47	294.23	+0.42
New Zealand	NZSE-40	1,551.77	1,547.09	+0.30
Bombay	National Index	1,495.88	1,548.86	-3.42

Sources: Reuters, AFP — International Herald Tribune

Very briefly:

- **Ricoh Co.**, the maker of photocopiers and office equipment, suffered a parent-company operating loss of *1.73 billion yen ($13.3 million) in the* year to March 31, mainly because of a 14 percent fall in exports; in the previous year, the company had an operating profit of 17.34 billion yen.
- **Hong Kong**'s leading banks cut their prime lending rate by one percentage point, to 7 percent, effective Monday.
- **Ishikawajima-Harima Heavy Industries Co.** *will extend technology to* **Sumitomo Heavy Industries Ltd.** so Sumitomo can build liquefied natural gas tankers on contract for IHI.
- **Nitto Arare Co.**, which makes rice crackers, and its former president are to be prosecuted on charges of padding the accounts to conceal current losses totaling 8.3 billion yen over two financial years.
- **A Chinese man** was sentenced to four years in prison for selling discarded shares in Shanghai, the Hong Kong newspaper New Evening Post said; it is the first stock fraud case since the market opened last year.

AFP, Reuters, Bloomberg, AP

Taiwan Assuages U.S. on Copyrights

Agence France-Presse

TAIPEI — Taiwan's parliament passed long-awaited copyright law *revisions on Friday in a bid to shake off possible U.S. trade sanctions;* a parliamentary official said.

The revisions, delayed by the parliament for 18 months, came a day before Taiwan was scheduled to send a 20-member trade delegation, led by the Board of Foreign Trade director, Hsu Ke-sheng, to Washington for negotiations — mainly on copyright protection.

ADVERTISEMENT

INTERNATIONAL FUNDS

May 22, 1992

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: d - daily; w - weekly; b - bi-monthly; r - regularly; t - twice weekly; m - monthly

ABC INVESTMENT & SERVICES CO (B.C.)
w ABC Futures Fund Ltd. $ 172.21
ABN AMRO BANK, P.O. Box 283, Amsterdam
w ABN-AMRO Aandelenfonds Fl 81.92
w ABN-AMRO America Fd. $ 38.88
w ABN-AMRO Balansfonds Ned. Fl 65.83
w Aldollar $ 26.30
w Alrento Fl 194.80
w Asian Tigers Fund $ 34.25
w Columbia Securities Fl 125.28
w LDC Risk Bnk Bond $ 1305.48
w Trans Europe Fund $ 44.58
w Trans Europe Fund Fl 82.64
AIG FUND MANAGEMENT Ltd
d AIG Amer. Eq. Trust $ 27.1762
w AIG Balanced World Fd $ 102.1393
b AIG Japan Fund $ 126.4700
b AIG South East Asia Fd $ 126.1407
w AIG Eskwan Fund $ 96.214
w Ecu Life Fund Ecu 9.69
w UBZ Euro-Optimizer Fund Ecu 11.08
d UBZ Liquidity Fund $ $ 104.2240
d UBZ Liquidity Fund DM DM 180.9873
d UBZ Liquidity Fund Ecu Ecu 137.2968
d UBZ Liquidity Fund SF SF 108.5091
ALFRED BERG
d Alfred Berg Norden $ 145.11
Alfred Berg Sicav
d Germany DM 228.92
d Global $ 147.46
d Netherlands Fl 197.27
d North America $ 109.88
d Switzerland SF 130.26
d U.K. £ 64.28
ALPHA ASSET MANAGEMENT LTD
De Ruyterkade 62, Curacao NA 5999 617844
m Alpha Europe Fund Ecu 272.32
m Alpha Futures Fund Ltd. $ 154.67
m Alpha Global Fund $ 220.67
m Alpha Hedge Fund $ 253.59
m Alpha Japan Spec. Hge Fd $ 259.37
m Alpha Latin America $ 206.81
m Alpha Natural $ 106.38
m Alpha Pacific Fund Ltd. $ 244.97
m Alpha SAMA $ 102.89
m Alpha Short Fund Ltd $ 89.62
m Alpha Spec. Situation Fd $ 317.14
m Alpha Tiltlede Fund $ 128.92
m Alpha Worthington $ 103.54
m Bucheron-Alpha Eur Hdge Ecu 113.83
m Cerruti Alpha Hlth Care Fd $ 295.84
w Hemel Japan Fund Y 9450
w Nicholas-Applegate Aurelia $ 172.11
w Nicholas-Applegate Hedge $ 128.52
ARRAL ASSOCIATES LTD
w Arral American Quant Fd $ 11.13
w Arral Asian Fund $ 203.29
w Arral Int'l Hedge Fund $ 133.10
BAIL, 18 Place Vendome, 75001 Paris
m Intermarket Fund $ 531.43
BANQUE BELGE ASSET MGMT FUND
Share Distributor Guernsey 0481 726414
w Int'l Equity Fund (Sicav) $ 11.39
w Int'l Bond Fund (Sicav) $ 14.09
w Dollar Zone Bd Fd (Sicav) $ 11.01
w Sterling Equity Fd (Sicav) £ 1.847
w Sterling Bd Fd (Sicav) £ 1.219
BANQUE DE GESTION E. DE ROTHSCHILD LUXEMBOURG S.A.
b Government Secur. Fd $ 44.56
w Hispano Int'l Fund Ecu 13.21
w Leicom $ 1986.30
b Opportunities $ 939.77
b Optiquest Fixed Income DM 122.35
b Optiquest Global General DM 141.80
b Pritirst $ 303.81
b Priros Fund DM 44.25
w Renta Plus BF 4843.80
f Select. Horizon FF FF 70617.78
d The Europe Japan Fund $ 9.74
BANQUE INDOSUEZ
w The Dragon Fund Sicav $ 112.53
m Galaxy Futures Fund Ltd $ 169.53
m Dual Futures Fd Cl A Units $ 115.56
m Dual Futures Fd Cl B Units $ 115.12
m Dual Futures Fd Cl C Units $ 109.27
m Dual Futures Fd Cl D Units $ 111.45
m Maldana Fut. Fd Ser. 1 Cl. A $ 98.82
m Maldana Fut. Fd Ser. 1 Cl. B $ 106.48
w IPNR-3 $ 472.80
w ISA Asian Growth Fund $ 42.23
w ISA Japan Rec. Growth Fd Y 773
w ISA Pacific Gold $ 16.79
w ISA Asian Income Fund $ 8.72
d Indosuez Korea Fund $ 10.72
w Himalayan Fund $ 14.67
w Maldive Fund $ 11.71
w Malacca Fund $ 12.97
w The Siam Fund $ 21.03
d Indosuez Hong Kong Fund $ 32.380
w Oriental Venture Trust $ 46.660
w North American Fund $ 37.310
w Shogun & Malay Trust $ 14.670
w Pacific Trust HK$ 22.035
w Tasman Fund $ 4.825
d Japan Fund $ 12.215
w Managed Trust $ 22.215
d Japan Warrant Fund $ 0.75
d Worldwide Growth Fund $ 9.73
BANQUE PRIVEE E. DE ROTHSCHILD
w Dollar Capital Eq. Fund $ 1089.35
w Dollar LCF Rothschild $ 1095.29
w Eurodevises Ecu 63.10
b Sports Sicav $ 14.32
BANQUE SCANDINAVE A LUXEMBOURG
w Universal Eurosec ECU Ecu 103.4464
w Universal Intelsec USD A $ 14.8719
w Universal Intelsec USD B $ 15.3818
w Universal Intelbond USD A $ 14.1352
w Universal Intelbond USD B $ 17.9976
w Universal Finasec Global FM 127.8767
w Universal Intelbond FRF A FF 103.1353
w Universal Intelbond FRF B FF 120.8190
w Universal Forsec B $ 108.2930
w Universal Far East A $ 15.2801
w Universal Far East B $ 15.2521
w Universal Japan A Y 1025.4836
w Universal Japan B Y 1025.4836
BANQUE SCANDINAVE EN SUISSE-GENEVA
w Intelbond Chf SF 78.11
w Intelsec Chf SF 172.86
w Swissfond Chf SF 108.53
BDD ASSET MGMT (LUXEMBOURG) S.A.
w BDD Inv Fund-Ecu Bonds Ecu 6087.34
w BDD Inv Fund-Ecu Cash Ecu 3237.82
w BDD Inv Fd-Euro Equities Ecu 5091.55
w BDD Inv Fund-US$ Bonds $ 5128.96
w BDD Inv Fund-US$ Cash $ 5055.77
w BDD Inv Fd-North Am Eq $ 4991.70
BEARBULL
w BB Forex Ltd $ 1141.00
w BB Futures Ltd CHF SF 888.08
w BB Futures Ltd USD $ 1037.28
w BB Global Ltd BEF BF 882.08
w BB Global Ltd CHF SF 9.85
BNP LUXEMBOURG
w Interecu Fund A Ecu 303.81
w Interecu Fund B Ecu 1075.02
INTER CASH
f France Monetaire FF 12686.73
f France Securite FF 14917.84
f Inter Cash DM DM 2392.47
f Inter Cash Ecu Ecu 1431.54
f Inter Cash GBP £ 1310.22
f Inter Cash USD $ 1173.88
f Inter Cash Yen Y 150352
INTER OPTIMUM
w Interbond USD $ 248.61
w BEF/LUF BF 85893.00
w Multidevises DM DM 2429.15
w USD $ 1191.59
w FRF FF 12603.08
w ECU Ecu 1812.43
INTER STRATEGIE
w Australie AS 18.45
w France FF 11070.50
w Europe du Nord £ 1078.21
w Europe du Centre DM 2211.65
w Europe du Sud Ecu 906.85
w Japon Y 115332
w Amerique du Nord $ 1276.83
w Sud-Est Asiatique $ 1820.00
BROADGATE INTERNATIONAL FUND
d $ Money Market $ 15.88
d Non-$ Money Market DM 37.75
d $ Bond $ 27.77
d Non-$ Bond DM 35.26
d Global Equities $ 17.39
d Global Bonds $ 17.39
d Global Bonds & Equities $ 15.93
d Prec. Metals/Min. Secs. $ 5.19
d Pacific Equities $ 10.25
d European Equities $ 10.57
CAISSE CENTRALE DES BANQUES POP.
d Fructilux Oblig. Fses FF 7779.38
d Fructilux Oblig. Euro. Ecu 1334.03
d Fructilux Court Terme FF 7317.38
w Fructilux Actions Fses FF 7554.38
d Fructilux Actions Euro Ecu 1276.88
CALLANDER
w Callander Emer. Growth $ 111.18
w Callander F-Asset $ 110.80
w Callander F-Austrian AS 1158.65
w Callander F-Spanish Pta 8723.00
w Callander F-US Health Care $ 83.86
w Callander Swiss Growth SF 133.61
CAPITAL INTERNATIONAL
w Capital Int'l Fund $ 182.24
w Capital Italia SA $ 36.77
CDC INTERNATIONAL
w GFI Court Terme FF 150563.23
w GFI Long Terme FF 1314935.87
CIC GROUP
d Obilcic Court Terme FF 14408.82
d Obilcic Monetaire FF 14395.26
CITICORP INVESTMENT BANK (Lux)
POB 1373 Luxembourg Tel. 477 95 71
d Citinvest Guardian Euro Ecu 1240.34
d Citinvest Mngd Growth $ 1268.47
d Citinvest Mngd Grth Euro Ecu 1130.33
d Citinvest Selector $ 1128.82
d Citicurrencies USD $ 1542.36
d Citicurrencies Managed $ 148.91
d Citicurrencies GBP £ 143.15
d Citicurrencies DEM DM 124.59
d Citicurrencies Yen Y 11724
d Citiport N.A. Equity $ 212.51
d Citiport Japan Equity Y 4746
d Citiport UK Equity £ 126.86
d Citiport IAPEC $ 164.86
d Citiport Cont. Euro Equity Ecu 138.24
d Citiport Eamec $ 99.98
d Citiport German DM 84.46
d Citiport Swiss SF 94.32
d Citiport French Equity FF 1260.81
d Citiport N.A. $ Bond $ 143.27
d Citiport Euro Bond Ecu 127.52
d Citiport Pacific Bond Y 12734
d Citiport Austr. Dollar Bond AS 186.25
CITITRUST
w US $ Equities $ 236.88894
w US $ Bonds $ 15.13378
w US $ Money Market $ 14.88643
w Citiland $ 1864.36970
w Citiperformance Ptfl A $ 18.31284
w Citiperformance Ptfl B $ 18.51705
w The Good Earth Fund $ 14.51504
COMPASS INTL HOLDINGS LTD.
POB 455, Jersey 0534 27267
w Bond : Dollar Med. Term $ 11.66
w Bond : Ecu Multicurr. Ecu 11.33
w Equity : United Kingdom £ 8.59
CRAGNOTTI & PARTNERS
w C & P Futures I Fund $ 880.05
w C & P Diversified Fund $ 915.51
CREDIT AGRICOLE : MOSAIS
d Actions Int'l Diversifiees FF 114.22
d Actions Nord-Americaines $ 19.55
d Actions Japonaises Y 1808.13
d Actions Anglaises £ 72.61
d Actions Allemandes DM 34.29
d Actions Francaises FF 119.97
d Actions Esp. & Port. Pta 2406.82
d Actions Italiennes Lit 23737.04
d Actions Bassin Med. Ecu 17.47
d Actions Bassin Pacifique $ 19.22
d Actions Europeennes Ecu 16.72
d Actions Agro-Alimen. FF 121.86
d Actions Sect. Comm. FF 107.70
d Oblig Int'l Diversifiees FF 114.01
d Oblig Nord-Americaines $ 17.53
d Oblig Japonaises Y 2174.69
d Oblig Anglaises £ 11.94
d Oblig Allemandes DM 33.71
d Oblig Francaises FF 125.31
d Oblig Esp. & Port. Pta 2413.51
d Oblig Italiennes Lit 28969.82
d Oblig Europeennes Ecu 18.53
d Oblig Haut Rendement $ 18.71
d Oblig Div Sensib Red FF 113.98
d Oblig Convert. Intern. FF 119.83
d Court Terme Ecu Ecu 18.46
d Court Terme US$ $ 16.45
d Court Terme FF FF 121.43
CREDIT COMMERCIAL DE FRANCE
d Elysees Monetaire FF 76441.69
d Europe Prest. Fund A Ecu 9.33
d Europe Prest. Fund B Ecu 11.74
CREDIT SUISSE
d CSF Bonds SF 78.941
d Bond Valor Swf SF 98.276
d Bond Valor US - Dollar $ 118.872
d Bond Valor D - Mark DM 106.745
d Bond Valor Yen Y 10078.161
d Bond Valor £ Sterling £ 101.518
d Convert Valor Swf SF 144.880
d Convert Valor US - Dollar $ 188.643
d CSF International SF 138.062
d Actions Suisses SF 614.531
d Europa Valor SF 242.498
d Energie - Valor SF 147.291
d Pacific - Valor SF 111.332
d CS Gold Valor $ 98.907
d CS Tiger Fund $ 750.307
d CS Ecu Bond A Ecu 100.295
d CS Ecu Bond B Ecu 146.886
d CS Gulden Bond A Fl 98.036
d CS Gulden Bond B Fl 127.830
d CS Hispano Iberia Fd A Pta 23330.400
d CS Hispano Iberia Fd B Pta 23924.100
d CS Prime Bond A DM 89.784
d CS Prime Bond B DM 115.394
d CS Europa Bond A DM 269.681
d CS Europa Bond B DM 324.891
d CS Fixed I SF 7% 1/96 SF 99.590
d CS Fixed I DM 8% 1/96 DM 103.764
d CS Fixed I Ecu 8 3/4% 1/96 Ecu 104.435
d CS Euro Blue Chips A DM 244.663
d CS Euro Blue Chips B DM 249.188
d CS Short-T. Bond $ A $ 104.299
d CS Short-T. Bond $ B $ 145.826
d CS Short-T. Bond DM A DM 97.645
d CS Short-T. Bond DM B DM 130.764
d CS Money Market Fd $ $ 1491.675
d CS Money Market Fd DM DM 1515.154
d CS Money Market Fd £ £ 2072.204
d CS Money Market Fd Yen Y 137829.020
d CS Money Market Fd C$ C$ 1180.023
d CS Money Market Fd Ecu Ecu 1181.993
d CS Money Market Fd SF SF 3228.807
d CS Money Market Fd HFl Fl 1853.588
d CS Money Market Fd Lit Lit 1064184.710
d CS Money Market Fd FF FF 5273.897
d CS Money Market Fd Pta Pta 102348.490
d CS Oeko-Protec A DM 249.959
d CS North-American Fd A/B $ 287.387
d CS UK Fund A/B £ 105.611
d CS France Fund A/B FF 1076.985
d CS Euroreal DM 100.80
DIT INVESTMENT FFM
d Concentra + DM 47.83
d Int'l Rentenfond + DM 74.70
EBC TRUST CO. (Jersey) LTD
1-3 Seale St, St Helier : 0534-36331
EBC AMRO TRADED CURRENCY FUND
d Capital $ 24.452
d Income $ 15.717
INTERNATIONAL INCOME FUND
d Long Term $ 34.9623
ECU FUTURES PLC (44 71 225 3011)
d Ecu Plc Onean Fund £ 0.86
d Ecu Plc Royden Fund £ 1.25
EQUIFLEX LIMITED
w North America A Fl 13.32
FIDELITY INT'L INV. SERVICES (Lux)
d Balanced Ptfl Hedged $ 12.61
d Balanced Ptfl Unhedged $ 12.11
d Conv. Securities Ptfl $ 9.03
d Discovery Fund $ 18.47
d Dollar Savings Trust $ 196.07
d Far East Fund $ 61.49
d Fid. Amer. Assets $ 169.28
d Fid. Amer. Values IV $ 109389.88
d Fid. Australia Fund $ 17.16
d Frontier Fund $ 33.38
d Global Ind Fund $ 16.23
d Global Selection Fund $ 12.66
d International Fund $ 15.92
d New Europe Fund $ 10.52
d Orient Fund $ 94.97
d Pacific Fund $ 284.32
d Special Growth Fund $ 29.38
d World Fund $ 88.18
FINMANAGEMENT SA-Lugano(41.91/238312)
w Delta Premium Corp. $ 1022.80
FOKUS BANK A.S. 472 428 555
w Scanfonds Int'l Growth Fd $ 1.18
GAIA CURRENCY FUNDS
w Gaia Hedge I $ 99.38
w Gaia Hedge II $ 188.51
w Gaia Hedge III $ 38.88
w Gaia Swiss Franc Fd SF 73.82
m Gaia Guaranteed Cl. I $ 74.75
m Gaia Guaranteed Cl. II $ 75.64
GAM ANLAGEFONDS AG.
POB 164, 8034 Zurich Tel : 41-1-2514649
d GAM (CH) Mondial SF 1313.38
d GAM (CH) Pacific SF 2085.99
d GAM (CH) America SF 1932.69
d GAM (CH) Europe SF 78.98
GAM TRADITION ANGLEFONDS AG.
d GAM Tradition SF 971.38
GARTMORE INDOSUEZ FUNDS 21/05/92
Tel : (352) 46 54 24 470
Fax : (352) 46 54 23
BOND PORTFOLIOS
d Deutsche Mark Bond DM 5.45
d Diverbond SF 2.75
d Dollar Bond $ 2.21
d European Bond Ecu 1.11
d French Franc Bond FF 10.63
d Global Bond $ 2.38
d Sterling Bond £ 1.03
EQUITY PORTFOLIOS
d Developing Markets $ 2.93
d Europe Ecu 1.13
d France FF 10.82
d Germany DM 4.95
d International $ 2.36
d Japan Y 223
d Natural Resources $ 2.87
d North America $ 2.39
d Pacific $ 2.63
d Singapore / Malaysia SG$ 5.61
d Switzerland SF 2.77
d United Kingdom £ 1.29
RESERVE FUNDS
d Deutsche Mark Reserve DM 5.47
d Dollar Reserve $ 2.08
d French Franc Reserve FF 10.99
d Sterling Reserve £ 1.13
d Yen Reserve Y 274.00
GEFINOR FUNDS
London : 071-4994171, Geneva : 41-22355530
w East Investment Fund $ 713.39
w Scottish World Fund £ 214.3638
w State St. American $ 300.02
GENERALE BANK
(See also Interselex Group)
d Rentinvest LF 29.82
d Capital Rentinvest $ 182.40
d Rentinbel Distribution LF 1928.80
d Rentinbel Capitalization LF 13183.80
GENESEE FUND Ltd
w (A) Genesee Eagle $ 108.46
w (B) Genesee Short $ 69.64
w (C) Genesee Opportunity $ 130.52
w (D) Genesee Drill $ 185.36
w (F) Genesee Non-Equity $ 185.80
GLOBAL ASSET MANAGEMENT
11 Athol St.Douglas.I.of Man 44-624-626037
w GAM Arbitrage Inc. $ 387.39
w GAM America Inc. $ 294.78
w GAM Australia Inc. $ 148.52
w GAM ASEAN Inc. $ 229.18
w GAM Boston Inc. $ 317.61
w GAM Selection Inc. $ 503.76
w GAM European Inc. $ 91.45
w GAM Europe Fund $ 73.71
w GAM Franc-Val Inc. SF 193.70
w GAM France Inc. FF 1442.08
w GAM Global Fund $ 185.25
w GAM High Yield Inc. $ 137.22
w GAM Hong Kong Inc. $ 344.58
w GAM International Inc. $ 144.73
w GAM Japan Inc $ 611.72
w GAM North America $ 130.74
w GAM Money Mkts Fd $ $ 101.37
w GAM Money Mkts Fd £ £ 183.93
w GAM Money Mkts Fd SF SF 183.03
w GAM Money Mkts Fd DM DM 183.59
w GAM Money Mkts Fd Yen Y 10177
w GAM Mlti-Mgr Fd Inc Allocs $ 122.17
w GAM MltiMgr Fd IncGenEqs $ 125.20
w GAM Mlti-Mgr Fd Trading $ 129.16
w GAM Mlti-Mgr Deferred Cl $ 119.58
w GAM Mlti-Mgr Fd Euro $ 106.90
w GAM MltiMgr Fd IncEmergs $ 101.87
w GAM Overseas Inc $ 122.60
w GAM Pacific Basin Fund $ 138.77
w GAM Pacific Inc. $ 577.41
w GAM Restr. Fund Inc $ 156.82
w GAM Singap-Malay Inc $ 262.67
w GAM Swiss Fr Spec Bd Fd SF 187.80
w GAM Value Inc. $ 97.60
w GAM Worldwide Inc $ 435.91
w GAM Tyche S.A. Class A $ 348.38
w GAM Univ. Spain Inc SF 110.27
w GAM Americana Fds Inc DM 107.22
w GAM Americana Fds Acc DM 107.22
w GAM Orient Fonds Inc DM 96.84
w GAM Orient Fonds Acc DM 96.84
w GAM Tokyo Fonds Inc DM 103.60
w GAM Tokyo Fonds Acc DM 103.60
w GAM Univ. D-Mark Acc DM 122.38
w GAM Univ. D-Mark Inc DM 119.54
w GAM Univ. Dollar Acc $ 113.92
w GAM Univ. Dollar Inc $ 111.64
w GAM U.S. Inc $ 234.31
w GAM Whitethorn Fund Inc $ 171.42
w GAM UT Inc $ 486.33
w GSAM Composite Inc $ 261.42
w GAM Bond Fd Inc. US Ord $ 129.01
w GAM Bond Fd Inc. US Spe $ 154.31
w GAM Bond Fd Inc. SF SF 85.76
w GAM Bond Fd Inc. Yen Y 12989
w GAM Bond Fd Inc. DM DM 108.72
w GAM Bond Fd Inc. £ £ 134.12
w GAM Sterling Spec. Bd Fd £ 114.80
GT MANAGEMENT PLC (44 71 280 45 67)
d G.T. ASEAN Fund $ 44.78
d G.T. Asia Fund $ 17.83
d G.T. Australia Fund $ 29.49
d G.T. Berry Japan Fund $ 22.68
w G.T. Biotech/Health Fd $ 17.71
d G.T. Bond Fund $ 18.72
d G.T. Deutschland Fund $ 12.62
d G.T. Dollar Fund $ 24.73
w G.T. Emerging Mkts Fd $ 34.88
w G.T. Euro Small Co Fd $ 20.85
d G.T. Europe Fund $ 34.45
w G.T. Global Small Co Fd $ 17.45
d G.T. Hong Kong Fd $ 50.85
d G.T. Honshu Pathfinder $ 9.73
w G.T. Investment Fund $ 17.17
w G.T. Japan OTC Stocks Fd $ 9.53
w G.T. Japan Small Co Fd $ 12.01
w G.T. Korea Fund $ 3.51
w G.T. Latin America Fd $ 21.21
w G.T. Newly Ind Countr Fd $ 32.09
r G.T. Technology Fund $ 49.83
w G.T. UK Small Companies £ 7.37
w G.T. US Small Companies $ 17.59
HARVARD GROUP LIMITED
d US Stock Index Fund $ 21.41
INTERNATIONAL ASSETS FUND
2, Bd Royal, L-2449 Luxembourg
w Japan B Y 11408
w Diversific C FF 538.25
w Europe Luxe D Ecu 77.44
w Europe Sud E Ecu 88.96
INTERNATIONAL MGMT INCOME FUND
w Treasury Comportment Fd.ITL 181400
INTERSELEX GROUP
d Int. America Sicav $ 19.82
d Int. Belco Sicav BF 2782.00
d Int. Europa Sicav LF 6428.08
d Int. Pacific Sicav $ 80.61
d Int. World Distr. Sicav $ 94.59
INVESCO MIM INT'L. POB 271, Jersey
Tel: 44 534 73114
d Maximum Income Fund £ 1.0400
d Sterling Mngd Ptfl £ 1.5948
d Pioneer Markets £ 3.5618
d UK Growth Fund £ 1.2720
d Gold & Precious Metals $ 8.8250
d Japan Dollar Perf. Fund $ 2.4280
d Jersey Gilt Fund £ 8.1875
d Okasan Global Strategy $ 16.5800
d Asia Super Growth $ 15.4300
d Nippon Warrant Fund $ 2.8200
d Asia Tiger Warrant $ 2.1180
d European Warrant Fund $ 2.0500
d Gtd. N.W. 1994 $ 8.5900
PREMIER SELECT FUNDS
d American Growth $ 5.4800
d American Enterprise $ 7.4900
d Asia Tiger Growth $ 6.4100
d Dollar Reserve $ 5.1700
d European Growth $ 4.8200
d European Enterprise $ 5.6100
d Global Emerging Markets $ 6.4400
d Global Growth $ 4.7900
d Nippon Enterprise $ 5.2200
d Nippon Growth $ 3.9200
d North American Warrant $ 7.2200
ITALFORTUNE INTL. FUNDS
w Class A (Aggr. Growth Ital.) $ 44.95
w Class B (Global Equity) $ 11.38
w Class C (Global Bond) $ 11.52
w Class D (Ecu Bond) Ecu 10.59
JARDINE FLEMING, GPO Box 11448 Hg Kg
d JF ASEAN Trust $ 22.42
d JF Far East Wrnt Tr. $ 8.75
d JF Global Conv. Tr. $ 12.23
d JF Hong Kong Trust $ 13.98
d JF Japan Sm. Co Tr. Y 47006
d JF Japan Trust Y 11974
d JF Malaysia Trust $ 9.60
d JF Pacific Inc. Tr. $ 8.57
d JF Thailand Trust $ 12.34
JOHN GOVETT MANT (I.O.M.) LTD
Tel: 44.624 - 62 94 20
w Govett Man. Futures £ 12.75
w Govett $ Gear. Curr. $ 13.89
w Govett Man. Fut. US$ $ 9.48
JULIUS BAER GROUP
d Baerbond SF 987.80
d Conbar SF 1745.00
d Helvetbar SF 1240.00
d Equibaer America $ 2148.00
d Equibaer Europe SF 1730.80
d SFR - BAER SF 1020.80
d Stockbar SF 2166.00
d Swissbar SF 2277.80
d Liquibaer $ 2129.80
d Dollar Baer Bond Fund $ 1218.80
d D-Mark Baer Bond Fund DM 1026.80
d Europe Bond Fund Ecu 118.00
d Emerging Europe Fund DM 97.80
w Multiadvisor Forex Fd $ 95577.00
KIDDER, PEABODY
b Chesapeake Fund Ltd $ 1418.87
b Int'l Guaranteed Fund $ 1187.56
b Stonehenge Ltd $ 1303.93
b The Gbl Asset Alloc Fd Ltd $ 918.91
b The Krieger Curr. Fd Ltd $ 938.80
KLEINWORT BENSON SELECT FUND
d British Fund Ecu 2.63
d Emerging Asia Fund Ecu 1.88
d European Fund Ecu 1.89
d International Fund Ecu 1.70
d Japanese Fund Ecu 1.49
d North American Fund Ecu 2.08
d Pacific Fund Ecu 1.80
d World Fund FM 13.04
d Sicav Dollar Bond $ 1.95
d Sicav International Bond Ecu 2.01
d Sicav European Bond Ecu 2.79
d Sicav Convertible Bond Ecu 2.15
d Sicav Yen Bond Y 331.86
LATIN AMERICAN MANAGEMENT Co Ltd
Tel : London 071 828 1234
w Argentinian Invest Co Sicav $ 39.48
w Brazilian Invest Co Sicav $ 27.07
w Mexican Invest Co Sicav $ 32.71
LIPPO INVESTMENTS
w Java Fund $ 5.80
w IDR Money Market Fd $ 18.52
w USD Money Market Fd $ 10.10
w Indonesian Growth Fd $ 18.26
w Asian Growth Fund $ 10.26
w Asian Warrant Fund $ 11.20
MALABAR CAP MGMT (Bermuda) LTD
m Malabar Int'l Fund $ 12.80
MAN INTERNATIONAL FUTURES
m Mint Limited - Ordinary $ 41.77
m Mint Limited - Income $ 13.83
m Mint Gtd Ltd - Spec Issue $ 22.75
m Mint Gtd Ltd - Nov 1993 $ 20.68
m Mint Gtd Ltd - Jan 1994 $ 14.91
m Mint Gtd Ltd - Dec 1994 $ 15.10
m Mint Gtd Ltd - Aug 1995 $ 12.44
m Mint Gtd Plc $ 111.15
m Mint Sp Res Ltd (BNP) $ 97.87
m Newcastle Guaranteed Ltd. $ 78.24
m Alubal Mint Gtd Fund Ltd $ 110.09
m Athena Diversified Futures $ 9.41
m Athena Gtd Futures $ 9.57
m Athena Gtd Currencies $ 10.19
m Man Guaranteed 1996 Ltd $ 8.72
d Athena Gtd Financials Ltd $ 9.21
MERRILL LYNCH
d Dollar Assets Portfolio $ 1.00
d Iberia Portfolio $ 9.72
d Prime Rate Portfolio $ 10.00
MERRILL LYNCH SHORT-TERM WORLD INCOME PORTFOLIO
d Class A $ 9.75
d Class B $ 9.75
MERRILL LYNCH MLT NAT'L INV PFL GLOBAL CURRENCY BOND SERIES
AUSTRALIAN DOLLAR PORTFOLIO
d Category A AS 16.08
d Category B AS 16.80
CANADIAN DOLLAR PORTFOLIO
d Category A C$ 12.68
d Category B C$ 12.63
DEUTSCHE MARK PORTFOLIO
d Category A DM 11.41
d Category B DM 11.34
POUND STERLING PORTFOLIO
d Category A £ 13.37
d Category B £ 13.38
US DOLLAR PORTFOLIO
d Category A $ 12.62
d Category B $ 12.63
YEN PORTFOLIO
d Category A Y 1131
d Category B Y 1129
MULTI CURRENCY BOND PTFL
d Class A $ 19.92
d Class B $ 19.75
US FEDERAL SECURITIES PTFL
d Class A $ 9.61
d Class B $ 10.33
MERRILL LYNCH MLT NAT'L INV PFL EQUITY / CONVERTIBLE SERIES
BASIC VALUE PORTFOLIO
d Class A $ 12.01
d Class B $ 11.73
CONVERTIBLE SECURITIES PTFL
d Class A $ 12.59
d Class B $ 12.39
GLOBAL EQUITY PORTFOLIO
d Class A $ 8.92
d Class B $ 8.60
EURO EQUITY PORTFOLIO
d Class A $ 11.85
d Class B $ 11.65
LATIN AMERICA PORTFOLIO
d Class A $ 12.28
d Class B $ 12.16
WORLD NATURAL RESOURCES PTFL
d Class A $ 11.13
d Class B $ 10.88
MULTIMANAGER N.V.
w American Growth Fd $ 11.06
w European Corr. Bond Fd Ecu 11.38
w European Growth Fd Ecu 11.86
w Forex Fund $ 10.90
w Japanese Fund Y 768
w Yen Bond Fund Y 1047
m Emerging Markets Fd $ 17.39
m Futures Fund $ 9.93
NIMARBEN
w Class A $ 251.72
NOMURA INTL. (HONG KONG) LTD
d Nomura Jakarta Fund $ 6.94
NOMURA INVEST BANKING (M.E) E.C.
d Nomura Gulf Fund $ 8.00
NORIT CURRENCY FUND
m NCF USD $ 839.38
m NCF DEM DM 859.25
m NCF CHF SF 859.41
m NCF FRF FF 4319.67
m NCF JPY Y 84102
m NCF BEF BF 26041.00
OBLIFLEX LIMITED
w Multicurrency $ 27.69
w Dollar Medium Term $ 21.22
w Dollar Long Term $ 17.86
w Japanese Yen Y 4145
w Pound Sterling £ 21.71
w Deutsche Mark DM 14.83
w Dutch Florin Fl 15.21
w HY Euro Currencies Ecu 12.97
w Swiss Franc SF 11.35
w US Dollar Short Term $ 11.89
w HY Euro Curr Divid Pay Ecu 10.79
w Swiss Multicurrency SF 14.47
w European Currency Ecu 18.16
w Belgian Franc BF 112.69
w Convertible $ 12.61
w French Franc FF 128.45
w Swiss Multi-Dividend SF 9.68
w Canadian Dollar C$ 11.74
w Dutch Florin Multi Fl 12.71
w Swiss Franc Divid Pay SF 10.22
w Short Term Global Income $ 2.048
w Short Term Global Divid $ 2.047
OLYMPIA CAPITAL INTL. BVI
c/o OCM, 11 Av. Friedland 75008 PARIS
Tel: 33-1-45539038 Fax: 33-1-42564009
w Finsbury Group $ 179.27
w Olympia Securite SF SF 154.57
w Winch. Frontier $ 255.14
w Winch. Fut. Olympia Star $ 112.21
w Winch. Gl.Sec.Inc.PL(A/B) $ 8.86
w Winch. Hldg Int'l Madison Ecu 1194.37
w Winch. Hldg Int'l Ser D Ecu 1386.29
w Winch. Hldg Int'l Ser F Ecu 1401.25
w Winch. Hldg US$ $ 16.67
w Winch. Reser. Multi. Gvbd $ 17.19
OPTIMA FUND MANAGEMENT
6 Front St, Hamilton, Bermuda (809 295-4000)
w Optima Fund $ 15.85
w Optima Futures Fund $ 11.51
w Optima Short Fund $ 9.48
PARIBAS-GROUP
d Luxor $ 7.51
d Parinter Bond Fund $ 14.85
d Parinter Fund $ 216.09
w Parvest Obli-DM A DM 1197.00
w Parvest Obli-DM B DM 1541.81
w Parvest Obli-Dollar A $ 1141.91
w Parvest Obli-Dollar B $ 1582.10
d Parvest Obli-Franc A FF 1485.43
d Parvest Obli-Franc B FF 1631.52
w Parvest Obli-Gulden A Fl 953.88
w Parvest Obli-Gulden B Fl 1304.42
w Parvest Obli-Sterling £ 121.14
w Parvest Obli-Yen A Y 105994
w Parvest Obli-Yen B Y 137067
PERMAL GROUP
b Commodities Ltd $ 1000.00
b Drakkar Growth N.V. $ 2811.63
b EuroMir (Ecu) Ltd Ecu 1156.42
b Investment Hldgs N.V. $ 1007.03
b Media Ltd $ 998.31
b Nascal Ltd $ 1442.66
w Updyke Ltd $ 271.49
PICTET & CIE - GROUP
d Pictet Valsuisse (CH) SF 473.65
w Valbond - Ecu (Lux) Ecu 151.32
w Valbond - SFR (Lux) SF 237.34
w Valbond - USD (Lux) $ 200.78
b Eur. Opportunity (Lux) Ecu 97.49
b European Indexed Fd (Lux) Ecu 52.53
b Eurovol (Lux) Ecu 170.81
b Global Value (Lux) Quant. Ecu 117.27
m Emerging Markets (Lux) $ 123.10
m Int'l Small Cap (IOM) $ 324.65
PIERSON, HELDRING & PIERSON N.V.
Rokin 55, 1012kk, Amsterdam (20-5211188)
w Asia Pac. Growth Fd N.V. $ 26.82
w Asian Selection Fd N.V. Fl 64.25
w DP Amer. Growth Fd N.V. $ 34.05
w EMS Offshore Fd N.V. Fl 104.80
w Environment Growth Fund Fl 49.40
w Eur. Growth Fund N.V. Fl 51.42
w Japan Diversified Fund $ 34.78
w Leveraged Cap Hold. $ 466.81
w Tokyo Pac. Hold. N.V. $ 191.86
PRISM ASSET MANAGEMENT
(212) 332-1832 advisor to :
d Prism Futures Fd (EFF) $ 269.05
d Apex Fund Ltd $ 121.66
d Rainbow Futures Ltd $ 135.79
d Harmonic Futures Ltd $ 91.34
d Viceroy Futures Ltd $ 298.20
d Harbinger Futures Ltd $ 398.56
d Recent Futures Ltd $ 295.12
PUTNAM
d Emerging Hlth Sc. Trust $ 34.86
w Putnam Em. Info. Sc. Trust $ 22.45
d Putnam Glob. High Growth $ 14.68
d Putnam High Inc. GNMA Fd $ 9.18
d Putnam Int'l Fund $ 13.13
PYRFORD, SWITZ (038) 25 17 25
w Pyrford Australian AS 99.50
w Pyrford Int'l SF 100.75
QUANTUM GROUP OF FUNDS
w Emerging Growth Fd N.V. $ 127.10
w Quantum Fund N.V. $ 14876.35
w Quasar Int'l Fund N.V. $ 125.23
w Quota Fund N.V. $ 103.47
ROTHSCHILD ASSET MGMT (C.I) LTD
d Tokyo Pacific Hldgs (Seal) $ 140.86
SAFRA REPUBLIC HOLDING
w Republic (Gnsey) $ Inc Fd $ 10.24
w Republic GAM Fund $ 113.81
w Republic GAM Growth $ 118.89
w Republic GAM Pacific $ 107.31
w Republic GAM Europe Fd SF 105.75
w Republic GAM America Fd $ 180.02
REPUBLIC LATIN AMERICA FUND
w Allocated Class $ 100.19
w Brazil Class $ 101.59
w Mexico Class $ 100.18
w Argentina Class $ 99.81
w Venezuela Class $ 98.86
SKANDIFOND
SKANDINAVISKA ENSKILDA BANKEN
d Equity Int'l Acc $ 14.72
d Equity Int'l Inc $ 12.35
d Equity Global $ 1.35
d Equity For East $ 2.71
d Equity Nat. Resources $ 0.77
d Equity Japan Y 94.00
d Equity Nordic $ 1.35
d Equity U.K. £ 1.35
d Equity Continental Europe $ 1.42
d Equity Mediterranean $ 0.98
d Equity North America $ 1.77
d Equity Emerging Markets $ 0.98
d Bond Int'l Acc $ 10.78
d Bond Int'l Inc $ 7.18
d High Income Acc $ 1.49
d High Income Inc $ 1.04
d Bond Sweden Sek 13.89
d Bond DEM DM 1.08
d Bond Dollar $ 1.24
d Enskilda Int'l Bond $ 113.70
d Multicurrency $ 1.44
d Curr. Swedish Kronor Sek 10.30
SOCIETE GENERALE GROUP
d Asia Fund $ 347.33
d BTW Category A $ 14.72
d BTW Category B $ 34.26
SOGELUX FUND (SF)
w SF Bonds A U.S.A $ 14.44
w SF Bonds B Germany DM 26.40
w SF Bonds C France FF 105.16
w SF Bonds E G.B. £ 18.49
w SF Bonds F Japan Y 1937
w SF Bonds G Europe Ecu 14.78
w SF Bonds H World Wide $ 15.32
w SF Bonds J Belgium BF 686.00
w SF Eq. K North America $ 14.86
w SF Eq. L W.Europe Ecu 14.14
w SF Eq. M Pacific Basin Y 1348
w SF Eq. N France FF 70.00
w SF Eq. P Growth Countries $ 13.87
w SF Eq. Q Gold Mines $ 11.55
w SF Eq. R World Wide $ 13.65
w SF Short Term S France FF 144.03
w SF Short Term T Eur. Ecu 14.14
SOGELUX INDEX FUND (SIF)
w S.I.F. France Capital FF 1125.42
w S.I.F. France Distrib FF 1125.42
w S.I.F. GB Capital £ 127.24
w S.I.F. GB Distrib £ 127.24
w S.I.F. Japan Capital Y 9590
w S.I.F. Japan Distrib Y 9590
w S.I.F. US Capital $ 190.44
w S.I.F. US Distrib $ 190.44
w S.I.F. World Capital $ 132.49
w S.I.F. World Distrib $ 132.49
SODITIC ASSET MANAGEMENT INC.
w SAM Diversified Inc $ 118.74
w SAM Strategy Inc $ 99.85
m Alpha SAM Inc $ 100.22
w SAM Opportunity Inc $ 99.96
SVENSKA HANDELSBANKEN S.A.
146 Bd de la Petrusse, L-2330 Luxembourg
w Neptune Maritime Fund $ 4.71
w SHB Bond Fund $ 52.71
w Svenska Sel. Fd Amer Sh $ 13.24
w Svenska Sel. Fd Germany $ 9.70
w Svenska Sel. Fd Int'l Bd Sh $ 12.52
w Svenska Sel. Fd Int'l Sh $ 58.81
w Svenska Sel. Fd Japan Y 428
w Svenska Sel. Fd Nordic Sh $ 11.32
w Svenska Sel. Fd Pacif Sh $ 8.21
d Svenska Sel. Fd S/T Ass Sh $ 11.14
w Svenska Sel. Fd Swed Bds Sek 1162.06
w Svenska Sel. Fd Sylvia Sh Ecu 1072.42
SWISS BANK CORP. (Issue Prices)
d SBC 100 Index Fund SF 1218.80
d SBC Bond Ptfl - Austr.$ AS 182.82
d SBC Bond Ptfl - Can. $ C$ 116.72
d SBC Bond Ptfl - DM DM 158.09
d SBC Bond Ptfl - Dutch G. Fl 150.32
d SBC Bond Ptfl - Ecu Ecu 106.84
d SBC Bond Ptfl - FF FF 543.22
d SBC Bond Ptfl - Sterling £ 58.79
d SBC Bond Ptfl - US-Dollar $ 108.56
d SBC Bond Ptfl - Yen Y 100455.00
d SBC DM Short Term A DM 1038.79
d SBC Euro Stock Ecu 170.00
d SBC Global Ecu Growth Ecu 1022.47
d SBC Global Ecu Yield Ecu 1042.61
d SBC Global SF Growth SF 1054.86
d SBC Global SF Yield SF 1071.96
d SBC Global USD Growth $ 1044.22
d SBC Global USD Yield $ 1053.61
d SBC MMF - £ £ 2494.16
d SBC MMF - C$ C$ 4262.63
d SBC MMF - DFl Fl 6467.38
d SBC MMF - Ecu Ecu 3228.30
d SBC MMF - FF FF 21615.08
d SBC MMF - Lit Lit 4381769.00
d SBC MMF - SF SF 5327.85
d SBC MMF - US - Dollar $ 6844.75
d SBC MMF - Yen Y 567357
d SBC Str Bond A SF 1050.80
d SBC Str Bond B SF 1172.57
d America Valor $ 324.86
d Anglo Valor £ 208.41
d Asia Portfolio SF 643.52
d Convert Bond Selection SF 98.87
d D-Mark Bond Selection DM 108.46
d Dollar Bond Selection $ 138.77
d Ecu Bond Selection Ecu 100.75
d Florin Bond Selection Fl 114.38
d France Valor FF 1929.78
d Germania Valor DM 481.82
d Gold Portfolio SF 317.87
d Iberia Valor Pta 48542.00
d Ital Valor Lit 341978.00
d Japan Valor Y 22757
d Sterling Bond Selection £ 110.82
d Sw. Foreign Bond Selection SF 108.45
d Swissvalor SF 489.50
d Universal Bond Selection SF 80.75
d Universal Fund SF 103.92
d Yen Bond Selection Y 11099
TEMPLETON W.WIDE INVESTMENTS
GROWTH PORTFOLIO
d Class A-1 $ 11.18
d Class A-2 $ 12.83
d Class A-3 $ 12.07
d Class B-1 $ 10.91
d Class B-2 $ 12.56
INCOME PORTFOLIO
d Class A $ 11.07
d Class B $ 10.97
TERMINVEST Tel : 48.78.92.80
m Dual Futures Fd Cl D Units $ 111.45
m Galaxy Futures Fund Ltd $ 109.53
THORNTON MANAGEMENT LTD
d Pacif Invt Fd SA £ 4.85
d Pacif Invt Fd SA DM DM 25.98
d Pacif Invt Wrnt Fd SA £ 3.85
d Pacif Invt Wrnt Fd SA DM DM 11.30
d Eastern Crusader Fund $ 7.98
d Thornton HK Gateway Fd $ 29.33
d Thornton Japan Fund Ltd $ 20.71
d Thor. Litti Dragons Fd Ltd $ 24.50
d Thornton Orient Inc Fd Ltd $ 22.75
d Thornton Phil. Redev. Fd $ 38.02
d Thornton Tiger Fd Ltd $ 25.99
NEW TIGER SEL. FUND
d Thailand $ 8.33
d Malaysia $ 10.22
d Indonesia $ 5.66
THORNTON TAIWAN FUND
d Equity Income $ 10.35
d Equity Growth $ 11.46
d Liquidity $ 10.00
UEBERSEEBANK Zurich
d B - Fund SF 1094.61
d E - Fund SF 608.39
d J - Fund SF 318.95
d M - Distribution SF 101.53
d M - Fund SF 1160.98
d UBZ Euro-Income Fund SF 10.87
UNIVERSAL GROUP OF FUNDS
d Universal Cdn. Equity C$ 9.42
d Universal Pacific C$ 9.91
d Universal American C$ 10.28
d Universal Cdn. Resource C$ 4.03
d Universal Global C$ 7.26
d Universal Emerg Markets C$ 6.42
d Universal European C$ 5.42
d Canada Guar. Mortgage Fd C$ 16.39

Other Funds
w Acropolis Fund Ltd $ 1064.25
r Acticroissance FF 478.07
d Actifinance Int'l $ 961.53
w Actifutures Ltd $ 861.98
w Actigestion FF 1027.88
w Actinvest Int'l $ 27.16
m Advanced Strategies $ 121.50
w Aquila International Fund $ 325.52
w Arbifin Investment $ 986.22
b Arlane $ 4538.28
d Asia Oceania Fund $ 10.87
m ASS (Serie 1) SA DM 781.52
m Associated Investors Inc. $ 833.82
w Astra Fund Ltd $ 1088.49
b Atlantic Fund $ 83.43
r Australia Fund $ 18.57
w BEM International $ 7.39
w Bondselex-Issue Pr. SF 107.70
m Cal Futures 1990 Fd Ltd $ 22.15
d CB German Index Fund DM 131.98
w CMI Investment Fund $ 1390.00
w Codevalor Croissance CHF SF 1997.24
w Codevalor Croissance USD $ 1831.04
w Codevalor Rendement CHF SF 2164.38
w Codevalor Rendement USD $ 1772.11
w Convert. Fd Int'l A Certs $ 17.57
w Convert. Fd Int'l B Certs $ 62.69
w Cowen Enterprise Fd N.V. $ 1232.89
w Crysion Int'l Ltd $ 1036.44
w Cumber Int'l N.V. $ 330.12
d D. Witter Wld Wide Ivt Tst $ 26.18
w D.G.C. $ 235.70
d Daiwa Japan Fund Y 6212
d DBCC / Nafin Bond Fund $ 50327.99
d Dreyfus America Fund $ 21.87
w Eos Overseas Fund Ltd $ 1260.80
d Emi Belg. Ind. Plus A BF 9167.00
d Emi Belg. Ind. Plus B BF 9457.00
d Emi France Ind. Plus A FF 948.76
d Emi France Ind. Plus B FF 964.07
d Emi Germ. Ind. Plus A DM 93.11
d Emi Germ. Ind. Plus B DM 95.17
d Emi Spain Ind. Plus A Pta 9946.00
d Emi Spain Ind. Plus B Pta 10028.00
d Emi UK Index Plus A £ 113.72
d Emi UK Index Plus B £ 117.47
m Enigma Currency Fd $ 19.54
w Espir. Sto Inv. M Ecu Bd Fd Ecu 105.38
w Espir. Sto Inv. Sth Eur Fd $ 9.05
w Esprit Sicav Ecu 1183.94
d Eurasud FF 1006.70
d Europe 1992 $ 11.15
d Europe Obligations Ecu 87.81
w F.I.T. Fund FF FF 128.17
w F.M.P. Portfolio $ 0.5917
w Fairfield Int'l Ltd $ 174.65
w Fairfield Sentry Ltd $ 261.15
w Fairfield Strategies Ltd $ 69.90
m Fatum Fund $ 815.91
w First Eagle Fund $ 44846.03
m First Ecu Ltd Ecu 69.28
m First Frontier Funds $ 54.24
m First Intl Investment Ltd $ 3.25
w FL Trust Switzerland SF 106.16
d Fonditalia $ 81.98
w Fonselex Issue Pr. SF 182.10
d Force Cash Opti Taux d'Int Ecu 1022.65
d Force Cash Opti USD/DEM Ecu 1013.16
w Formula Selection Fd SF 64.36
d Frankf-Trust Effekten Fd DM 165.14
d Frankf-Trust Interzins DM 40.71
d Gemini Int'l Multi $ 1024.03
m Gems Progressive Fd Ltd $ 1218.26
m German Sel. Associates DM 1744.33
w Global Futures Mgt Ltd $ 948.63
w Gonnard SF 27.83
d Green Line France FF 734.18
m Guaranteed Capital Imm 94 LF 528791.00
m Hasenbichler Com AG $ 2238.00
w Hausmann Hldgs N.V. $ 442.53
d Hemisch T.F. SF 11813.00
w Hestia Fund $ 169.25
w Horizon Fund FF 11584.84
d IAM Flagship Fund Ecu 73.45
w Ibex Holdings Ltd SF 209.43
w IFDC Japan Fund Y 22472.00
b ILA / IGB $ 14.74
b ILA / IGS $ 9.75
b ILA / INL $ 12.88
w Infinity Fund $ 305.2316
r Int'l Securities Fund Ecu 26.93
m Interface Fund Ltd $ 148.05
d Interfund SA $ 45.28
w Intersec - KBL DM 4182.85
d Investa DWS DM 75.73
d Investment Fund $ 166.69
w Japan Pacific Fund $ 191.80
m Japan Selection Asses Y 6365
w Japan Selection Fund $ 242.34
w JWH Worldwide Fund $ 8.63
m Kenda LDC Fund $ 176.46459
w Kenmar Guaranteed $ 9.31
w Kenmar Int'l - B $ 10253.08
w Kenmar L/C $ 7.13
m Key Hedge Fund Inc $ 115.97
d KML - II High Yield $ 652.54
w Knightsbr. Futures $ 995.00
w Korea Growth Trust $ 27.14
m L.F. Yield & Growth Fd $ 963.92
b La Fayette Holdings Ltd $ 102.42
w Leaf Sicav $ 1053.12
w Laurel Val. Francaises FF 1043.24
m London Portfolio Services $ 10.39
m LPS Intl H.P.B. $ 9.87
w Luxfund $ 112.79
m Lynx Sel. Holdings SF 125.18
w M I Multi-Strategy $ 1083.47
w M.Kingdon Offshore. N.V. $ 11.34
w Magnus Units Ltd SF 4560.00
w Managed Fut. Instltut. Fd $ 9264.00
m Maritime Fund Int'l Ltd $ 833.34
w Mat Growth ESCF DM 16.79
w Mat Growth USCF $ 11.59
m Matterhorn Offshore Fd $ 16161.42
m Maverick Limited $ 2113552.11
w MBE Japan Fund LF 1789.80
m MCM Int. Limited $ 141.33
d Mediolanum Selective Fd $ 33.957
w Millennium Int'l $ 9.70
m Momentum Guild Ltd $ 108.54
w Moore Global Invts. Ltd $ 2778.67
w Multifutures FF 96.87
w NCA Fund $ 10.21
d New Millennium Fut. Ltd $ 845.07
d Newbank Debentures $ 1278.00
d Nippon Fund $ 109.00
d NM Inc. & Growth Fund $ 18.87
m NMT Asian Sel. Portfolio $ 208.75
m NMT Citadel Bond SF 129.27
m NMT Nestec Portfolio $ 159.83
d Nomura-Cap Int'l Eq Fd $ 14.52
w Noveurope - KBL Ecu 2942.72
m NSM Invest. Ltd. Senso SH $ 7.91
m NSM Invest. Ltd. Tetryx SH SF 9.96
m NSP F.I.T. Ltd $ 11.52
w Old Ironside Int'l Ltd $ 98.7521
m Omega Overseas Partners $ 102.46
m Oppenheimer U.S. Arb. $ 132.48
d Optimal Effect Fut. Ltd $ 906.91
m Optimum Fund $ 1765.37
m Overlook Performance $ 1630.85
d Pacific Nies Fund $ 4.03
w Pan European Futures Ltd $ 3612.52
m PAN International Ltd $ 108.25
w Pancurri Inc $ 163.61
m Paragon Fund Limited $ 10.23
w Plurigestion FF 90.91
w Plurivest International FF 183.23
d Precision Fund Ltd $ 85.41
d Premier Futures Ltd $ 997.34
d Pretirent S.A. DM 1183.07
w Puget-Mabe Barclays Poc $ 160.65
w Pulsar LDC Debt Fd $ 140.5009
m Quark Int'l Trad Prog $ 9879.807
w RM Futures Fund Sicav $ 17297.00
w Sailor's Int'l Equity Ecu 971.42
w Sailor's Int'l Fixed Ecu 1083.94
w Samurai Portfolio SF 241.50
d Sanyo Kle. Spain Fd $ 9.81
d Sarakreek Holding N.V. $ 14.80
w Saturn Fund $ 1617.72
d SCI / Tech. SA Luxembourg $ 17.15
m Scimitar Guar. Curr Fd $ 7.99
m Scimitar Guaranteed Fd $ 8.67
w Securfund 2000 Ltd $ 6.06
m Semadex $ 102.95
m SLH Guar. F.F.I. $ 1236.37
w SP International SA $ 10266.06
w Strategic Futures Fd Ltd $ 887.85
m Sussex McGarr $ 1447.00
w Techno Growth Fund SF 51.88
d Templeton Global Inc $ 9.65
m The Geo-Global Offshore $ 1103.20
m The J Fund B.V.I. Ltd $ 1135.1572
w The Jaguar Fund N.V. $ 332.15
d The Latin Equities Fd $ 1093.2006
d The Petrus Fund Ltd $ 8.94
w Thema M-M Futures $ 966.26
b TIIC (OTC) Jap. Fd Sicav $ 9.38
b Tokyo (OTC) Fund Sicav $ 7.12
w Trans Global Invt Ltd $ 126.80
d Transpacific Fund Y 19678
w Trinity Futures Fd Ltd $ 921.829
d Tudor B.V.I. Futures Ltd $ 10898.71
d Turquoise Fund $ 195.78
m Tweedy Browne (UK) n.v. $ 1448.07
m Tweedy Browne n.v. Cl A $ 4131.16
m Tweedy Browne n.v. Cl B $ 1782.02
d Uni Bond Fund Ecu 1910.23
r Uni Capital Fund Ecu 1331.38
w Uni-Global Sicav DEM DM 1022.37
w Uni-Global Sicav Ecu Ecu 1024.31
w Uni-Global Sicav FRF FF 5150.80
w Uni-Global Sicav FS SF 1021.42
w Uni-Global Sicav USD $ 1015.39
d Unico Equity Fund DM 61.66
d Unico Inv. Fund DM 70.98
m Unitrades CHF SF 1185.06
m Unitrades CHF Reg SF 1038.04
m Unitrades FRF FF 12382.68
m Unitrades USD $ 1136.89
d Univers Bonds DM 150.89
w Ursus Int'l Ltd $ 7701.80
m Valbonne Ecu 112.70
m Victor Futures Fund $ 193.16
w Vulture Ltd $ 1410.80
w Wilier Asian Fund $ 12.10
w Wilier Japan Y 193.08
w Wilier South East Asia $ 10.68
w Willerbond Capital $ 14.48
d Win Global Fd Bd Ptfl Ecu 115.26
d Win Global Fd Eq Ptfl Ecu 97.85
d Win Global Fd Res Ptfl SF 217.19
d World Balanced Fund S.A. $ 12.72
m Worldwide Limited $ 97.89
w Worldwide Securities $ 45.86
w Worldwide Special $ 980.90
m Young SF 180.81
m Zweig Int'l Ltd S/S $ 14055.00

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THE MONEY REPORT

FIRST COLUMN

Testing The Banks Over O&Y

ANY financial crisis, just like a Hollywood potboiler, needs the proper blend of avarice and ignorance and a cast of outsized characters to capture the public's imagination. The Olympia & York affair has it all.

The secretiveness of the Reichmanns was equaled by their hubris in thinking they were too big and too smart to be caught up in the collapse of the commercial office market.

But they more than met their match in a gaggle of bankers so eager to do business with the brothers and pocket those juicy loan origination fees that they neglected to look at the borrower's books, or notice the proliferation of see-through glass towers springing up around them.

Now the banks have it in their power to force O&Y's jewel properties into bankruptcy protection, but they would do well first to read a new Bank of England study on Britain's battered home market. The study concluded that reducing the rate of repossessions would help boost home prices much more than a cut in interest rates.

THERE is no direct link between the markets for 40-story office buildings and homes or apartments, of course. For starters, the housing market hasn't seen the type of building craze that produced more U.S. office space in the 1980s than existed before the decade started. With office vacancy rates at 25 percent and more in some U.S. cities and about 50 percent in London's Docklands, it will be a long and difficult process to stabilize office prices, much less spur a recovery.

But even with such a weak outlook, it is hard to imagine confidence returning if banks scramble to seize O&Y's properties and put them on the market. Harder still to imagine that the banks that erred so much in fueling the building boom have the expertise to step in and manage the properties back to health themselves.

There's been plenty of breast-beating in financial circles about the deal-making excesses of the '80s. Long-term planning and the return of relationship banking are today's buzzwords. If banks really mean to change their ways, O&Y is a good relationship to start with.

T.B.

Commercial Property: Can It Get Any Worse?

By Philip Crawford

THE world's financial markets may have handled the bankruptcy filings of Olympia & York with aplomb, but the move may have dealt a new blow to the already-reeling market for commercial real estate.

The big question for investors is whether the O&Y debacle will trigger a further decline in prices or, conversely, signal the bottom of the abyss for property markets worldwide. Could the long-awaited recovery be just around the corner?

Some experts feel that the humbling of a Goliath such as O&Y, the world's largest developer that just a year ago seemed invincible, can only further hurt public confidence in the real estate market. That could throw a bucket of cold water onto an already feeble flame of hope for a price recovery.

"Value is two things, fact and perception," said Joseph Benkowski, director of real estate consulting for Delta Associates, a Virginia-based firm that advises property investors. "What you've done here is added to the negative image of everything that's happened in the real estate market over the past 18 to 24 months, and you've done it in a big way. I don't know that it will bring values further down, but it certainly defers the recovery of value."

Few property market watchers have to be reminded of the plunge in prices that has accompanied the lingering recession. Rental prices for prime office space in the City of London, for example, has fallen by a third in the last year and a half to about £38 ($69) a square foot; in the higher-priced West End, the decline has been nearly 40 percent. In the United States, the declines range from around 13 percent in New York to around 30 percent in Los Angeles, where a quarter of all office space lies vacant.

In the more overbuilt markets, the scramble to find tenants is so intense that posted rents are virtually meaningless. In London's Docklands, where the Canary Wharf complex is O&Y's most high-profile disaster, new tenants get incentives and rebates covering as much as half the listed rent, dropping actual costs to as little as £10 a square foot. The same holds for Toronto, home of O&Y's Reichmann brothers, where actual rents can dip below $10 a square foot, as much as two-thirds below the quoted price.

But given that dismal state of affairs, many property analysts in the United States and Britain — the two countries where commercial real estate investment is most accessible to the public — question whether Olympia & York's woes will create much fallout for investors.

"I think the worst is over," said Naresh Gudka, a real estate specialist at Paribas Capital Markets Group in London. "If you wait six months to a year, I think the property sector will begin to perform again."

Some analysts in Britain, where an estimated 50 percent of publicly listed property companies are technically insolvent, are even sanguine about property company share prices.

"If Canary Wharf ends up being put into administration, you might see an initial hit of about 5 percent across the board for property company share prices," said Selwyn Jones of Crédit Lyonnais Securities in London, "but I don't think the O&Y affair will have major long-term ramifications for investors. The major real estate firms have zero exposure to the Docklands."

Mr. Jones said the exception might be Hammerson Property Investment Corp., which has an asset exposure of about 25 percent in Toronto, a market that is widely expected to take another serious hit before recovering. But despite O&Y and still-falling values in London, Mr. Jones added that he felt market sentiment in the Britain is about to turn a corner.

"I think investors feel that the upturn is not too far away," he said, "perhaps coming within the next 12 months. Of the majors, I think British Land's shares are the most attractive."

Mr. Gudka of Paribas said he felt most of the bad news for British property companies was already in their share prices. "Over the last few years, the property sector has dramatically underperformed the overall equity market," he said. "And when it became apparent, about six weeks ago, that both O&Y and another developer, the Heron Group, were in trouble, property share prices did come down sharply."

Mr. Gudka added that he did not feel the construction industry would be seriously affected by any continued real estate market downturn. "The boom in office building is by and large over, and the contractors have already been paid," he said. "It's the developers' problem to fill the buildings. Of course, it remains be seen if O&Y's situation will make it harder to find financing for future construction."

Robert Fowldes, an analyst with Klein-wort Benson Group, disagreed with the optimistic scenario, however. He is looking for the property sector to continue underperforming the equity market. "None of the share prices of any of the major property companies strike me as attractive right now, at least not in relative terms."

Unlike in Britain, where real estate investors' returns are primarily a function of share price, *the main publicly traded vehicle for* property investors in the United States — the real estate investment trust, or REIT — focuses on dividends that give investors a direct exposure to the income streams from commercial property.

The REIT concept is similar to that of a mutual fund. Investors pool their money, which a management corporation uses to buy real estate, mortgages and other properties. Earnings come primarily from rent or mortgage payments. The vehicle's attraction for investors has traditionally been its high dividend yield and certain tax advantages, the downside being extensive regulation on matters such as investor eligibility and payouts from asset sales.

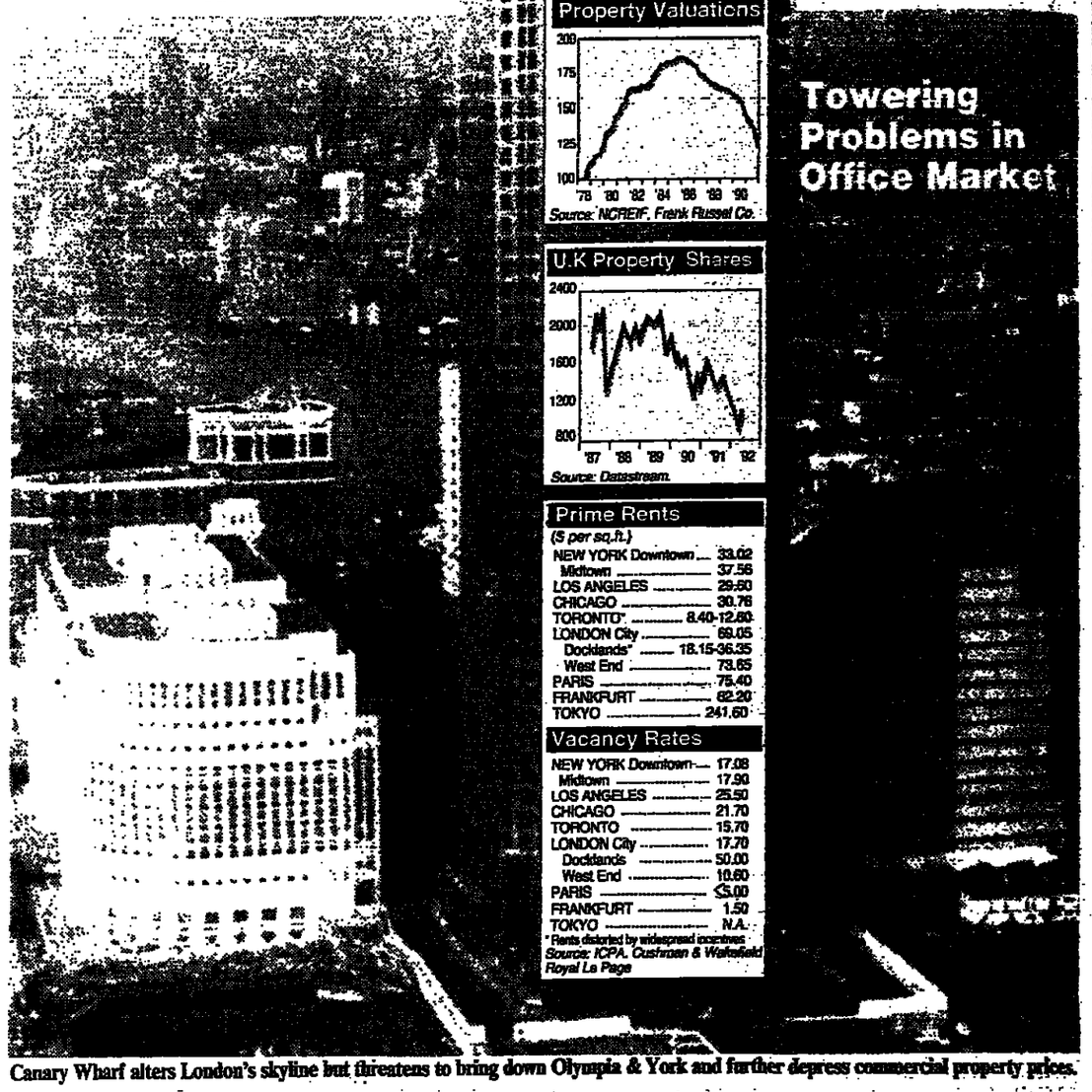
REITs come in every size, shape and form, and invest in all classifications of property. Some of the major U.S. REITs are the New Plan Realty Trust, Weingarten Realty Investors, Federal Realty Investment Trust, United Dominion Realty Trust and Rockefeller Center Properties. In the first quarter, the equity index of the National Association of REITs outperformed stocks, climbing 0.7 percent compared with a drop of 2.5 percent in the Standard & Poor's 500 index. Having raised $1.2 billion of capital during that period, REITs now own about $45 billion of property.

Why the suddenly creditable showing by REITs, not to mention the renewed investor interest, after poor performance caused them to fall out of favor in the early '80s? Among other things, analysts cite REITs' investments in smaller, conservatively leveraged properties that have provided relatively steady revenue streams. New interest also has been sparked by the fact that REITs can serve two masters: For developers, they're a source of capital in a currently illiquid market, and for investors, they offer a liquid shareholding in market that some feel has nowhere to go but up.

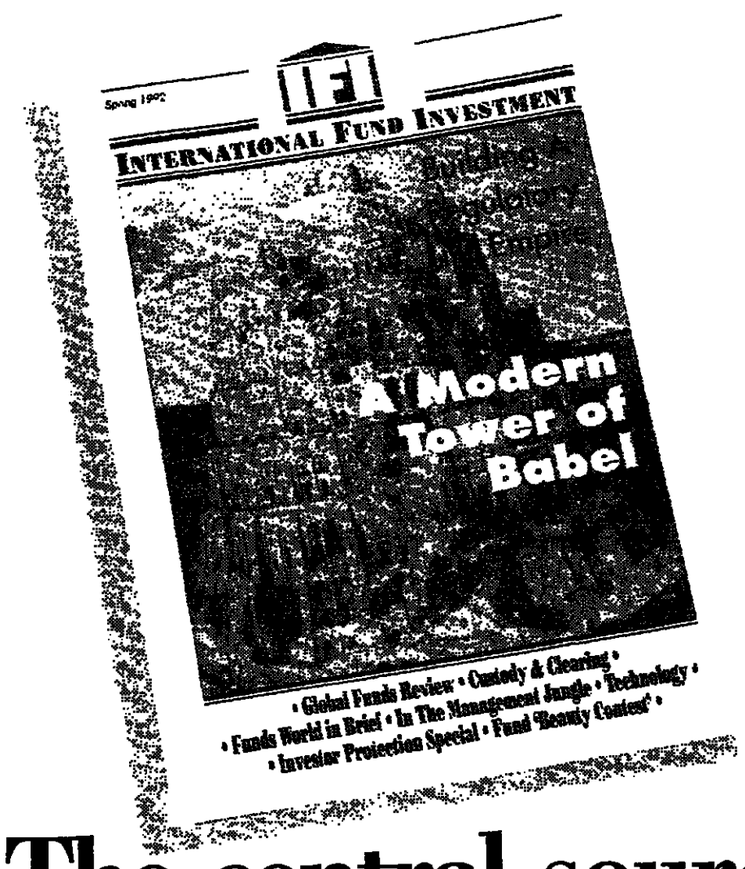
David S. Leibowitz, director of research for American Securities in New York, played down the effect of O&Y's problems on REITs. "There's no reason why it should have an effect," he said. "The public did not invest in Olympia & York, and I don't think you can make a strong connection." But given the depressed state of the New York commercial property market, Mr. Leibowitz added: "It would be premature to lift a glass of libation to celebrate its recovery."

Joseph Robert, chief executive of Virginia-based J. E. Robert Cos., a major U.S. real estate management firm, concurred that REITs have little exposure to O&Y's difficulties, but he said that very lack of exposure was part of the problem for the commercial property market. "REITs are so restrictive that they work for only a small percentage of investors," he said. "The average American investor has no access to the commercial real estate market, and that's a source of capital that the market obviously needs to tap. Until the government eases restrictions, though, you won't see it happen."

But as with many past market events that have been initially perceived as cataclysmic, O&Y's crash has led some experts to view it as cathartic. "We may look back at O&Y in a couple of years and see this as, if not the actual, *the emotional* bottom of the real estate market," said Robert Frank of Alex. Brown & Sons in Baltimore. "As the event the market needed to truly move forward."



Canary Wharf alters London's skyline but threatens to bring down Olympia & York and further depress commercial property prices.



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With Dow Stocks Splitting, What's a Point Worth?

Splits in several high-priced components of the Dow Jones industrial average may make the widely followed index of American blue-chip stocks more volatile — or at least seem to do so.

The issues whose shares have split, or are about to, include Coca-Cola and Procter & Gamble, 2 for 1; Walt Disney, 4 for 1, and Merck, 3 for 1.

The Dow is calculated by adding up the prices of the 30 components, then dividing by a number, which had been 0.559. That meant that a $1 change in the price of any Dow price moved the index by 1.7889 points. After the latest round of splits, the divisor will fall to 0.468. A $1 change then will move the index by 2.1368 points.

That piece of arithmetic has led some analysts to warn of heightened volatility. But what is not factored into the argument is that a move of $1 in a stock that has split is that much more unlikely and represents a greater percentage move, so it should have a greater effect on the index.

For instance, Disney shares were trading close to $150 before they split on Monday. A $1 change will be a much bigger deal with the stock fetching less than $40.

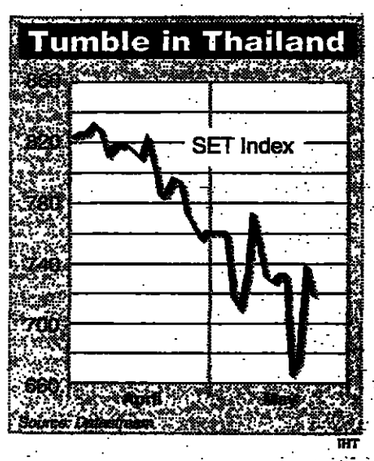
A similar type of logic holds true for the Dow. With the index roaming between 3,300 and 3,400, it should fluctuate by a greater number of points than 10 years ago, when it was below 1,000. But leaving points and splits aside, moves of a given percentage in the components' values will continue to move the index by the same percentage. So the expectation of increased volatility is based not on fact but on appearance, something not entirely foreign to Wall Street.

Bangkok's Panicky Bourse Looks for an End to Violence

The conventional wisdom on Thailand — that despite occasional coups, the economy will continue to head straight up — was severely shaken by the violent confrontations that left scores of pro-democracy protesters dead. Although the stock market reacted with euphoria when the king intervened and brokered a truce, it buckled anew on Friday on fresh coup rumors. Confidence is likely to remain shaky in the short term, analysts caution.

"A lot of investors have been frightened off, obviously," said Richard Mosley, who follows the Bangkok market at Jardine Fleming in Hong Kong. His short-term advice: "Let things calm down before making major investments."

A major worry is how much of an impact



the violence will have on tourism. Lower tourism earnings could worsen the trade balance and put upward pressure on interest rates, Mr. Mosley said.

But assuming the agreement to draw up a new constitution ends the unrest, the country should regain its rank as the fastest-growing country in booming Southeast Asia, Mr. Mosley said. Jardine is forecasting 8.9 percent growth this year, with earnings per share rebounding by at least 10 percent after a 5 percent fall in 1991.

"It's a thriving economy and one hopes that the events of the past few days will not have too drastic an impact," he said. "We still think the outlook for the Thai economy is fundamentally strong."

Bonds Don't Like Democrats But Stocks Aren't Partisan

Does it matter for investors which candidate manages to back into the White House in November? It matters a great deal for bondholders, but not a lot for stockholders, according to a study by Shearson Lehman Brothers.

Since 1953, when the Republican Dwight D. Eisenhower was inaugurated as president, the average annual return of stocks in Standard & Poor's 500 index has been 11.8 percent during Republican administrations, the Shearson report says. During Democratic turns in office, it has been 11.2 percent.

Democratic administrations have not been kind at all to bondholders. The average annual return of 10-year Treasury notes has been 7.5 percent when Republicans were in charge, but a big zilch — 0.0 percent — under Democrats, the Shearson report indicates. Much of that nothing performance is the result of the Carter years, when inflation and interest rates went sky high, chewing up the value of bonds.

Clip-and-Buy Fund Proposal Raises Protection Worries

The explosive growth of U.S. mutual funds has been one of the biggest trends of recent years, and a driving force in pushing stocks to record highs. But with the industry having surged to some $1.5 trillion in assets and the last regulatory review having taken place more than 20 years ago, the Securities and Exchange Commission is taking another look at its rules.

The SEC said its proposed new rules were intended to give investors a broader choice of funds at a lower cost, but some of the proposals appeared to run at cross purposes as far as investor protection is concerned.

One key proposal was to let investors buy into mutual funds without having to send away for a formal sales offering. Instead, investors could clip a coupon from a newspaper ad and mail it in with a check.

That proposal does not sit well with some groups that get regular feedback on the problems that average investors face. "Too few people read the prospectus as it is," John Markese, director of research at the American Association of Individual Investors in Chicago, told The New York Times. "I have a feeling that this coupon-clipping procedure will even lessen that number."

The SEC counters that ads would be required to provide more information about a fund's performance. And since brokers can sell stocks by telephone, why not permit the same thing with funds?

One investor protection proposal calls for the majority of fund directors to be independent of the sponsors, up from the current minimum of 40 percent.

The proposals also would allow investors to negotiate sales commissions, or loads, and allow funds to charge of single fee to bundle together the slew of fees charged today. The SEC hopes a unified fee would push funds to compete harder on price. Skeptics say the biggest beneficiaries of negotiable fees won't be individuals but rather big institutions, who have boosted their share of mutual fund assets to 25 percent from 11 percent in 1970.

The SEC can implement some of the proposals itself, but others will require Congress to amend the Investment Company Act of 1940.

Seeking a European Emerging Market in Greece

By Katherine Burton

THE Greek parliament is expected to approve shortly a reduction in its corporate income tax to 35 percent from 45 percent.

The effort may seem bizarre, given that the government now actually collects only about 5 percent of corporate profits in taxes. But analysts say the proposed tax cut is yet another sign, along with the privatization of state-owned companies, reduced inflation and improved enforcement of tax collection, that Greece is finally finding its way.

"To put it bluntly," said Stathis Nazos, portfolio strategist at XIOS-BANK SA in Athens, "I think the Greek economy has finally hit bottom. We should begin to see the turn by the end of this year."

That bottom is pretty far down. Per capita gross domestic product was 48 percent of the European Community average in 1988-1990, down from 52 percent in 1983-1985, and the public sector deficit hit 21 percent of GDP in 1990.

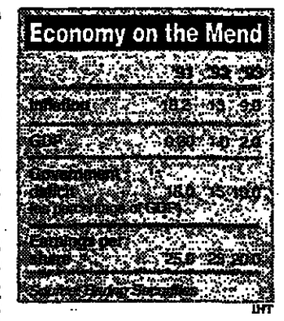
The austerity program of the two-year-old conservative government of Prime Minister Constantine Mitsotakis is beginning to have an effect, however.

The budget deficit dropped to 18 percent of GDP last year. The inflation rate, although high, fell to 16 percent in April from 18 percent for the first three months of 1992, and analysts say 13 to 15 percent by the end of the year is not unreasonable. The tax collection system has been computerized and penalties increased for evaders.

The government also carried out its first privatization last month when Hercules, a cement company, was sold to Calcestruzzi of Italy for roughly 139 billion drachma ($737 million). Another sale, a 49 percent stake in the telephone company OTE, is expected soon.

Nevertheless, the government's record as far as shareholders are concerned has been decidedly choppy so far. The Athens Stock Exchange's 65-share index soared 267 percent in the first half of 1990 to a high of 1,684 in July, only to tumble to 752 by November. It fell another 13 percent in 1991 as the austerity measures slowed GDP growth to just 0.5 percent.

This year, the index jumped to 1,009 in February, followed by a skid to around 813 on Friday.



But analysts say Greek equities are inexpensive and boast high earnings potential. Corporate earnings are expected to grow by 30 percent this year, according to analysts at Credit Suisse First Boston in London. That leaves the average share in the Athens index trading at 6.5 times prospective '92 earnings, compared to an average of 13 for European markets and a whopping 25 for the Standard & Poor's 500.

Analysts also expect the recent volatility to lessen. "The market is becoming more mature," said Mr. Nazos. "If we compare Greece to other emerging markets like Argentina and Brazil, the Greek market is already 35 percent to 50 percent less volatile."

There are some big hurdles in the short term, though. Tension over the bid by the former Yugoslav republic of Macedonia to be recognized as a sovereign state with that name, which Athens opposes because Macedonia is also the name of a Greek province, "could push the market down," said Marc Antoine de Dietrich, manager for Schroder Investment Management's Greece fund. The $45 million London-listed fund is the only foreign-managed fund dedicated to Greece, and the largest single investor in the market. The fund's net asset value has risen 120 percent since it was launched in 1988.

Other deterrents are sky-high interest rates and currency risk. The drachma is the only EC currency that has not entered the Exchange-Rate Mechanism, and it has depreciated by some 17 percent against the Ecu and 16 percent against the dollar since the start of 1990.

The central bank governor, Efthymios Christodoulou, has said Greece will enter the ERM, but analysts don't expect it before 1994 because inflation and interest rates are too high. Even after a one-point cut on Wednesday, interest rates are *still a staggering* 21 percent. Industrial complain that the drachma is too strong at about 192 to the dollar, and analysts expect a controlled drift toward 200 this year.

The Greek market also shares a problem with many budding bourses: Size. Market capitalization was $13.1 billion at the end of April, which ranks it among the EC's smallest markets.

But in the long-term, analysts see value in the top listed companies.

"One must be reasonably selective, but there are some very attractive stocks with very low P/E ratios and real growth potential," said Anastasios Adam, an analyst at Baring Securities in London.

Mr. Adam likes companies involved in infrastructure because Greece will continue to receive EC funding to modernize. His picks include Michaniki, a construction company, and Intracom, a telecommunications company.

Analysts at CSFB like banks, which account for about 40 percent of the market capitalization. The analysts say continued deregulation and an improving economy should help banks expand.

Analysts' Estimates of French Company Results

COMPANY	End of fiscal year	Earnings est. for '92 (fiscal year)	Last month's est.	% change	Last month's closing price	Current price	% change	P/E (est.)	No. of analysts' est. used
France's Best									
INSTITUT MERIEUX	9212	258.15	234.90	9.9	6420.0	6900.0	7.5	26.7	8
CLUB-MED	9210	24.33	23.19	4.9	526.0	542.0	3.0	22.3	20
ESSO	9212	71.78	68.42	4.9	801.0	830.0	3.6	11.6	5
SYNTHELABO	9212	41.11	39.99	2.8	1265.0	1219.0	-3.6	29.7	17
L'OREAL	9212	39.14	38.18	2.5	835.0	886.0	6.1	22.6	24
CAST-DUBOIS INV.	9212	97.43	95.87	1.6	2164.0	2136.0	-3.1	21.9	12
ACCOR	9212	39.04	38.45	1.5	790.0	817.0	3.4	20.9	23
LA REDOUTE	9212	357.21	351.82	1.5	5560.0	5520.0	-0.7	15.5	13
TOTAL	9212	27.91	27.50	1.5	251.7	270.5	7.5	9.7	22
ROUSSEL-UCLAF	9112	112.31	11.00	1.2	2150.0	2130.0	-0.9	19.0	13
France's Worst									
SCHNEIDER SA	9112	34.33	37.37	-8.1	695.0	745.0	7.2	21.7	19
AXA (EX MIDI)	9212	97.37	105.07	-7.3	943.0	1024.0	8.6	10.5	16
A.G.F.	9112	50.11	53.18	-5.8	509.0	510.0	0.2	10.2	14
CHRISTIAN DIOR	9112	30.27	31.78	-4.8	364.5	354.0	-2.9	11.7	6
CRED. FONC. FRANCE	9112	114.09	119.64	-4.6	993.0	966.0	-2.7	8.5	11
LAFARGE COPPEE	9212	27.79	28.97	-4.1	372.0	392.0	5.4	14.1	24
MERLIN GERIN	9212	38.94	40.59	-4.1	530.0	577.0	8.9	14.8	17
CGIP	9212	136.38	140.97	-3.3	1203.0	1260.0	4.7	9.2	16
GAN	9112	221.13	228.15	-3.1	1926.0	2035.0	5.7	9.2	14
CHARGEURS SA	9112	44.25	45.61	-3.0	1160.0	1168.0	0.7	26.4	13

Source: IBES Inc.

Early Death Benefits Ease Pain of Rising U.S. Medical Costs

By Judy Rehak

ACCELERATED death benefits. Grim as that sounds, this new wrinkle in life insurance is being welcomed by U.S. policyholders, American insurers say.

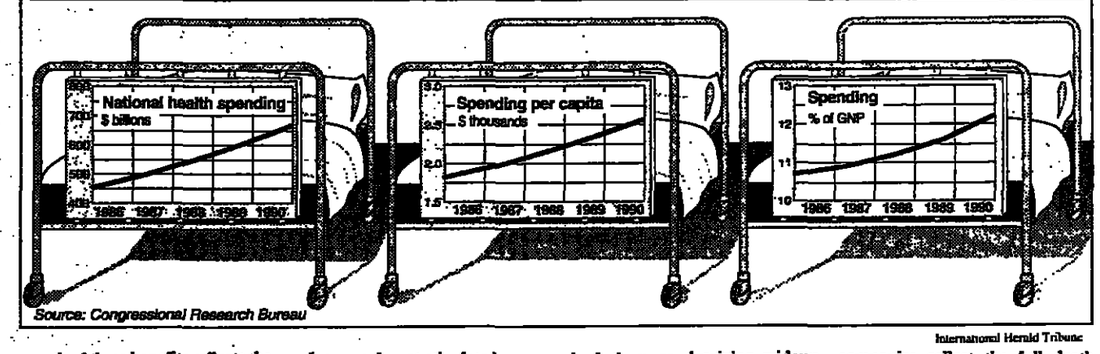
The concept allows persons who are terminally ill with diseases like cancer and AIDS, or facing permanent confinement in a nursing home, to receive part or all of their death benefits while they are still alive.

Some 113 companies, including majors like Travelers, Metropolitan Life and Connecticut Mutual, now offer some form of accelerated death benefits with life insurance policies. Prudential Insurance Co., which pioneered the concept, has paid the most claims, some 347 averaging $80,000 each, according to James Longo, a company spokesman.

And although acquired immune deficiency syndrome has gained the widest publicity for these benefits, the underlying reasons for their growing popularity go far beyond this deadly affliction.

"It's the high cost of dying, said Janet Patterson of the American Council of Life Insurance. "This benefit is to help cover the devastating cost of prolonged illness, and the fact that people are living longer, but not necessarily more healthily."

Ms. Patterson emphasized that accelerated benefits do not replace health insurance. Still, the rapid growth of these benefits reflects the fear — often justified — that even those with health insurance may not be able to cover their medical costs at the end of their lives. Health care costs have been spiraling upward at more than 8 percent a year, double the rate of inflation, for the past decade.



In one example, the Northwestern Mutual Life Insurance Co., the ninth-largest in the nation, advanced $37,000 to a policyholder whose doctors had diagnosed her cancer as terminal. "She wanted a last chance with a bone-marrow transplant, but her health insurance fell $30,000 short of covering the costs of the operation," said Greg Oberland, vice president of life and disability benefits for Northwestern.

Insurers do not stipulate how an accelerated payment may be spent, so for those who accept the inevitability of death, the money can serve to ease the emotional pain.

"One man took $40,00 of his $80,000 policy and paid off his mortgage, bought a grave sight and paid for his funeral," said Mr. Longo of Prudential. "People feel more at ease when they can tie up all those loose ends." For others, like the AIDS patient who used his payment to treat his family to a vacation and donate $2,000 to a favorite charity, the benefit can provide the pleasure of seeing others happy while still alive.

Not everyone views accelerated payments as benevolent, however. Women's organizations have criticized them as depriving widows and young children of the cash they need if a family provider dies. This has led many insurers to advance no more than 25 to 75 percent of the face value of a policy. "We think it's important to leave something for the surviving family," said Mr. Oberland of Northwestern, which caps its payments at 50 percent or $250,000.

Whatever their defects, accelerated benefits are a far better solution than one being promoted by a new breed of unscrupulous, but not illegal, companies. These companies, which are not insurers, buy life insurance policies at a deep discount — sometimes as little as 50 cents on the dollar — from the terminally ill who are desperate for cash. When the patient dies, the companies collect the full death benefit of the policy.

For those seeking accelerated benefits, some serious comparison shopping is in order. An important factor is the method of payment: Originally most insurers simply increased premiums by 5 to 15 percent for the option of having the benefit, but increasingly policyholders pay only if they actually use the option. Payment is then calculated as interest on the amount advanced, or the insurer discounts the amount advanced. For example, Metropolitan Life is currently using a discount of 8 percent annually.

Available options also should be reviewed carefully. The most commonly offered is advance payment for a terminal illness where a doctor certifies that a patient has only 6 to 12 months to live. Some insurers, Travelers and Prudential among them, include both terminal illness and nursing home care. Also, many companies offer the benefit on new policies only because of delays by the Internal Revenue Service in ruling on the taxability of accelerated payments, which could affect the tax-free status of existing policies.

Two other factors vary widely. The amount of insurance required to obtain accelerated death benefits can range from no minimum at Connecticut Mutual to, more typically, $50,000 for a new policy. Requirements for blood testing for life-threatening conditions like high cholesterol and HIV infection also vary. Some companies start testing at the $50,000 level, but others only start testing with policies of $100,000.

The American Council of Life Insurance estimates that 1.13 million policyholders were covered by some form of accelerated death benefits at the beginning of 1991, compared to only 144,500 in 1990. Significantly, the option is increasingly being offered through group insurance for company employees.

Perhaps most importantly for the industry, which had flat sales last year and anticipates further shrinkage in the rest of the decade, a Roper Organization poll revealed that 43 percent of those without life insurance said that accelerated death benefits would make them more likely to buy a policy.

Cosmetics Stocks: Good Looking but Hard to Find

IN her 1991 best-seller "The Beauty Myth," author Naomi Wolf argues that the cosmetics industry has created an unattainable image of the female aesthetic that manipulates women into buying its products. The industry counters that the concept of beauty is a real one, and that women buy cosmetics because they want to.

Although the debate goes on as to why women, and many men, buy beauty products, one fact remains: The demand for facial creams, eye makeup, lipstick and perfumes, and personal care items such as soaps and shampoos, translates into billions of dollars in sales for manufacturers every year. Some analysts liken the sector to the food industry — always in demand, just about recession-proof.

One stock many analysts are high on is Avon Products Inc., the largest American corporation whose central business is cosmetics. Avon posted a 4 percent sales gain in 1991 to $3.6 billion, while earnings jumped 13 percent to $2.94 a share. Salomon Brothers is projecting earnings of $3.35 this year. "We've been recommending the stock," said Diana Temple, an analyst at Salomon. "Their underlying growth is healthy, and they've also recently initiated some cost-cutting programs which should help their balance sheet."

In addition to its high profile in the United States, Europe and Japan, Avon has done well in the burgeoning Chinese marketplace. The first Chinese Avon ladies began knocking on doors in November 1990, and the results were stellar from the start, according to a company spokesman. Ms. Temple said Avon's products continue to sell well internationally, their primary competition coming from L'Oréal SA of France and Shiseido Co. of Japan.

L'Oréal is by most accounts a thriving company. Its profit rose by nearly 20 percent in 1991, and many analysts say the high visibility of L'Oréal's products and their relative independence of consumer-spending fluctuations should keep the double-digit growth going. Hoare Govett, the London brokerage, is forecasting a 14 percent rise in profit to 2.31 billion francs ($430 million) in 1992, or 39.7 francs a share. But at the recent price of about 900 francs, the shares are fully-valued.

"It's trading at a very high multiple, over 20" said Joanna Clapp, an analyst at Hoare Govett. "And while we wouldn't fault the stock's attractions as a core holding within a French portfolio, we also wouldn't chase it at current levels."

Shiseido, on the other hand, may hold more promise because of what many analysts say is an increasing emphasis on youth and beauty in Oriental culture. Among the company's latest products are a line of anti-wrinkle, anti-aging creams, and a hair rinse that gradually retints gray hair.

Cosmetics are virtually recession proof, but many brands are held by big conglomerates.

"As the mass of the Japanese population ages, Shiseido is making a real effort to cater to all age markets, not just to young women," said Eleanor Marsh of S.G. Warburg & Co. in Tokyo. "After several years of not doing so well in earnings growth, things are looking much more interesting for them. I rate the stock a 'hold' pending their annual reporting later this month, but it could easily be upgraded then."

Body Shop International PLC is a British company that specializes in products derived only from non-synthetic compounds and not tested on animals. Although it is also a pure cosmetics play with an international presence, some analysts argue that its so-called natural products appeal to a largely different market than those of, say, L'Oréal or Avon. The company has been prolific, with 749 stores in 41 countries worldwide. But like L'Oréal, Body Shop is seen by many analysts as fundamentally strong but at the end of a growth spurt.

"I think they've got almost as many stores as they want in the U.K., although their presence in continental Europe and Asia should continue to grow by over 10 percent per year," said Caroline Stewart of S.G. Warburg & Co.

Body Shop, currently trades at around 325 pence, up almost 50 percent from two years ago.

Many of the remaining highly-recognized names in cosmetics, such as Chanel, Revlon, Mary Kay and Estée Lauder, are privately owned. Others like Christian Dior, Cover Girl, Max Factor and Fabergé are owned by diversified groups, to which they typically contribute a small but not negligible percentage of sales.

Christian Dior cosmetics and perfumes, for example, as well as perfumes marketed under the Givenchy and Christian Lacroix names, are owned by Paris-based LVMH-Moët Hennessy Louis Vuitton SA, the luxury leather goods and champagne concern. Both Ms. Clapp and John Wakely, an analyst with Lehman Brothers in London, have a buy recommendation on LVMH shares.

"In the investor's eyes, the cosmetics side of LVMH — about 20 percent of overall sales — sometimes takes on greater importance than it should, because those products are glamorous and highly-publicized," Mr. Wakely said. "But the caché can attract investors and that can affect share price. I see LVMH shares as cheap at the moment."

Unilever PLC, the food and household products giant, also owns cosmetics and personal care brands such as Elizabeth Arden, Calvin Klein and Fabergé, which provide about 12 percent of sales. John Campbell of County NatWest Wood Mackenzie in London said he rated Unilever a short-term hold and a long-term buy.

Procter & Gamble Co., the huge American household goods manufacturer, owns names such as Cover Girl and Max Factor. Diane Mustain of Duff & Phelps in Chicago said she has had a buy recommendation on the shares for about one year. "Procter & Gamble is investing heavily in cosmetics and personal care products on a global basis," she said. "I think they will contribute significantly to the company going forward."

— PHILIP CRAWFORD

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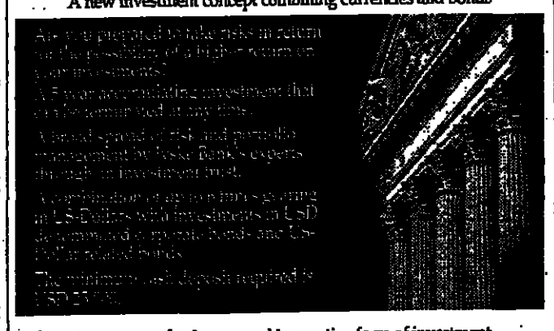
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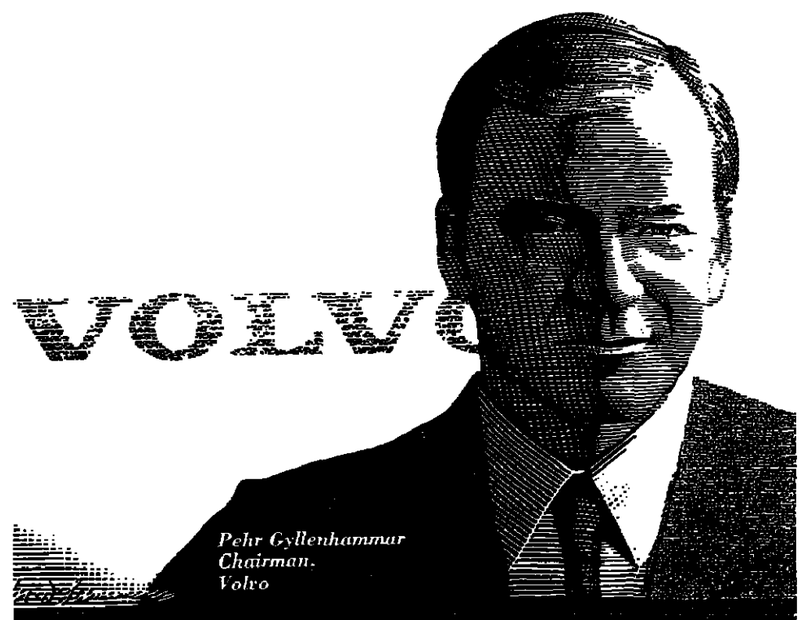

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SPORTS

BASEBALL

Royals Pound Relievers To Blow Game for Ryan

The Associated Press

Three times is no longer a charm. For Nolan Ryan, it's a curse.

Ryan left his relievers a lead once again Thursday night, and for the third straight time, his bullpen blew it.

Mike Macfarlane hit a three-run homer off Jeff Russell in the ninth as the Kansas City Royals ruined Ryan's bid for his first victory of the season with a 7-5 victory over the Texas Rangers in Arlington.

Ryan gave up just one hit and left the game with a 5-1 lead after seven innings. He had retired the final 18 batters.

Ryan, who has never gone this far into a season without winning a game, is stuck on career victory No. 314. His last victory was Sept. 25 against Seattle.

"It's a heck of a shame that Nolan's still stuck on that number," Russell said. "Somebody's got a hex on him. We've got to work extra hard to get him the win."

Ryan said he didn't second-guess manager Bobby Valentine for pulling him after he had thrown 111 pitches.

"I feel like I've been throwing well," he said. "But things just didn't work out. Under the circumstances, he did the right thing."

Valentine didn't have any excuses for his bullpen. "You just don't know what to expect from some of the guys," he said. The bullpen also blew leads in each of Ryan's two previous starts, both against Milwaukee.

Lance McCullers started the eighth for Texas, and most of the 23,363 started for the gates, their man done for the night. McCullers walked one batter and Kenny Rogers came on. He gave up a single to Curtis Wilkerson and a three-run homer to Terry Shumpert, his first, making it 5-4, before retiring the next three hitters.

With one out in the ninth, Kevin McReynolds reached on a fielding error by shortstop Dickie Thon. Jim Eisenreich doubled and Russell replaced Rogers. Russell gave up Macfarlane's home run to left field on an 0-2 pitch.

Ryan walked two and struck out eight in his longest outing of his 26th major league season. The only hit he gave up was Gregg Jefferies's bloop double in the first.

Brewers 7, Tigers 3: Milwaukee used four homers, including a three-run shot by Scott Fletcher, to beat the Tigers and gain a split in the four-game series in Detroit.

Paul Molitor homered twice and Kevin Seitzer once for Milwaukee.

The Brewers, who had hit just nine home runs in their first 18 games in May, hit two in the first inning and had three after three innings against Scott Aldred.

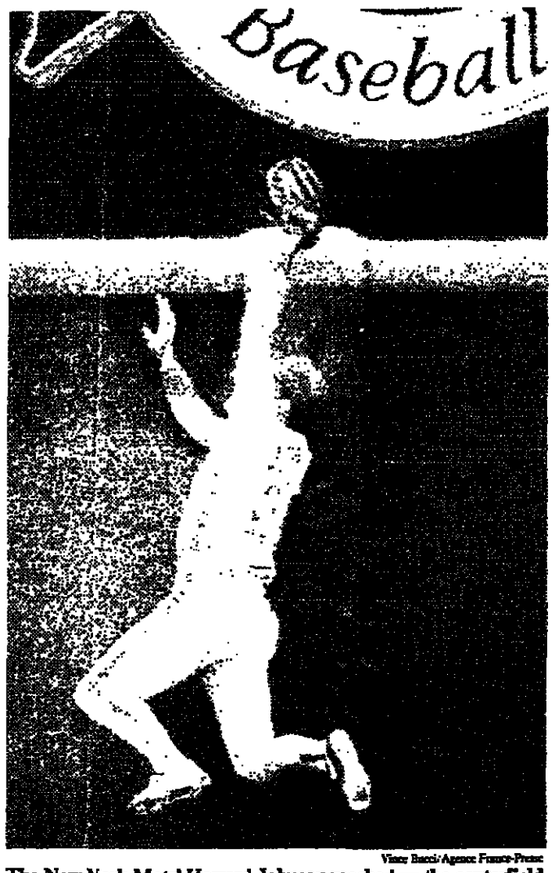
A sixth-inning double by Dante Bichette drove in Greg Vaughn to break a 3-3 tie. John Doherty relieved Aldred and issued an intentional walk to pinch-hitter Franklin Stubbs. After Dave Nilsson grounded out, Fletcher hit the first pitch into the lower deck in left for his first homer since April 15, 1991, at New York, when he played for the Chicago White Sox.

Seitzer and Molitor homered on successive pitches in the first inning. It was Seitzer's second and his first ever against Detroit, the only American League team against which he had never homered.

Molitor, who didn't start the previous three games because of a sore left hamstring, gave Milwaukee a 3-0 lead in the third with his fourth homer.

Lou Whitaker's fifth homer cut the margin to 3-1 in the bottom of the third. Chad Kreuter's first homer, following a double by Skeeter Barnes, tied it 3-3 in the Detroit fifth.

AMERICAN LEAGUE



Vince Bucci/Agence France-Presse

The New York Mets' Howard Johnson reached up the centerfield wall in San Diego to rob the Padres' Darrin Jackson in the second.

When the Thread Breaks On the Road to the Game

By George Vecsey
New York Times Service

NEW YORK — The bus was sitting outside Yankee Stadium, waiting for the California Angels. Everybody else had to hack his own way home through the tangled highways and erratic drivers of the Bronx. That sleek, modern bus looked pretty convenient.

There are always buses outside the ballparks, waiting to take the players to the hotel, to the airport, to *the next town. It is the only way teams can fulfill those* crisp appointments in the season schedule:

Wednesday, May 20: California at New York (night).

Friday, May 22: California at Baltimore (night).

The Angels were traveling by bus from the Bronx to Baltimore because it was faster and more convenient to sit in a bus for four hours, door to door, than try to catch a flight at that hour. It always makes sense to get players out of town right after a game.

This very same Angels franchise lost Lyman Bostock in 1978, when he was in the wrong place at the wrong time in Gary, Indiana, after a day game in Chicago, and somebody blew him away.

Vantage Point

The Yankees lost Thurman Munson a year later when he crashed his complicated new plane on a day off. The clubs prefer to have the players together. The more control, the better.

The players assume the right to a perfect trip because they are, after all, major league athletes. The world owes them a living. They have a road secretary to plan the trips, and their only conversation with him is when the luggage is delayed or the keys are not ready at the next hotel.

The players dress in the clubhouse and perhaps they remember to tip the attendant and then they file out of the stadium and put themselves in the hands of the driver, who is always known as Bussie. All the players see of Bussie is the back of his neck, as he pilots the air-conditioned bus through the narrow lanes.

Bussie is never acknowledged, unless he manages to get lost. Then he is heckled with a ferocity he never heard in the depot. Hey, Bussie, where'd you get your license? Hey, Bussie, can't you read a map?

Early Thursday morning, the California Angels were reminded of just how tenuous it is to hurtle all over the continent to play 162 games in six months. Their bus crashed through a guardrail on the New Jersey Turnpike, skidding about 350 feet (105 meters) and ending up flipped over on its side up against a tree. The driver, Carl Venetz, said he swerved to avoid debris in the road.

Buck Rodgers, the manager, who a few hours earlier was trotting around Yankee Stadium debating umpires and changing pitchers, suffered fractures of a rib, the right knee and the right elbow, and 11 other passengers were injured, but the club was to be able to play Friday night in Baltimore.

The players would list an airplane as the most likely way to make the front pages. Some of them have needed medicine or hypnosis or prayer just to step on board a plane. More than a terrorized few take a drink.

I always felt secure covering the first four years of the New York Mets, seeing the Mount Rushmore profile of Casey Stengel a few rows away. When lightning tossed the chartered DC-6B around the sky, I knew that nothing so trivial as a storm could get Casey.

Not every team has been so lucky. The basketball team from Evansville University and the football team from Marshall University and the soccer team from Manchester United and the U.S. figure-skating and boxing teams all suffered dreadful crashes in past decades, and a Minneapolis Lakers charter flight had to land in an Iowa cornfield one dismal night.

Every sport has its disaster plan for stocking a depleted team, although the leagues don't like to talk about it.

Professional athletes all have their horror stories, just like any travelers, but at least road secretaries can plan trips six months in advance, buying up seats on a commercial flight, or chartering a reputable airline. If I ran a team, I'd charter all the time, to keep the players from the civilians, and vice versa.

But at least the big-time teams are not improvising day by day, the way performers do: flimsy charters to get them from one gig to another. Just off the top of the head, names like Patsy Cline and Buddy Holly and Ritchie Valens.

The 'Disaster' Plan

New York Times Service

NEW YORK — Although there has never been a tragedy in major league sports that caused a league to implement a so-called disaster plan, such contingencies do exist. The bus accident involving the Angels brought these contingency plans into focus.

[First baseman Alvin Davis, the only player hospitalized after the accident, was released from a New Jersey hospital Friday, along with two other members of the Angels traveling party, The Associated Press reported. Manager Buck Rodgers, who broke a rib, his left knee and elbow, remained hospitalized in good condition.]

Major league baseball has had a disaster plan in place since 1965. Other leagues were spurred to develop their own plans after a plane crash in 1970 that killed 38 members of the Marshall University football team along with a number of the squad's coaches.

If a few players are disabled or killed, the team is expected to supplement its roster by bringing up minor leaguers or otherwise acquiring players. But in a wide-scale tragedy, each of the other teams in the league would provide players to stock the disabled franchise.

The Angels play in the American League, which, like the National League, has a procedure it labels a "rehabilitation plan." If six or more players on one team are disabled, the plan kicks in. This involves selecting players, through a draft, from the remaining teams.

Giants Sweep the Pirates for First Time Since '85

The Associated Press

Things have been great lately for the San Francisco Giants, but pathetic for the Pittsburgh Pirates. Their three-game series proved it.

The Giants scored the only run on Bob Walk's wild pitch with two outs in the seventh inning and held on for a 1-0 victory Thursday in San Francisco to sweep the series.

"We caught a couple of breaks," manager Roger Craig said after the Giants won for the eighth time in 10 games to tie the Pirates atop the National League.

The Pirates, losing their sixth in a row, were swept by the Giants for the first time since July 25-28, 1985, and escaped Candlestick Park after mustering merely 12 hits and three runs in the series.

"To be honest, I'm not that discouraged," Pirates manager Jim Leyland said. "We got three good starts from our pitchers, but we're just not hitting."

Andy Van Slyke is the exception. His singles in the first and fourth innings were the only hits off John Burkett and Mike Jackson, who combined to retire the last 16 batters.

The percentages finally caught up with Walk, who hadn't lost at Candlestick since July 21, 1987, and to anyone on the road in 24 games since June 8, 1990, at New York.

Kevin Bass, who snapped an 0-for-19 slump with a second-inning triple, led off the winning rally with a seventh-inning double and went to third on rookie catcher Jim McNamara's bunt single. After rookie Royce Clayton lined into a double play, Mike Felder batted for Burkett and Walk bounced a 1-2 pitch past catcher Mike LaValliere, scoring Bass.

"I got a little greedy and tried to strike him out," said Walk, who yielded four hits in seven innings.

Burkett, who had received 48 runs of support in his previous eight starts, faced 32 batters, one over the minimum, in seven innings while posting his fourth straight victory. He struck out four and walked none.

Mets 8, Padres 3: Sid Fernandez struck out 10 in seven innings, and resurgent Bobby Bonilla and Eddie Murray homered to lead a 14-hit attack as New York pounded the home team.

Murray had four hits, including a three-run homer, to help Fernandez to a 7-1 lead in the first four innings.

Bonilla, who had two homers on Opening Day and then none until connecting Tuesday and again Thursday, doubled his total and drove in seven runs in the four-game series.

Fernandez, who has reached double figures in strikeouts four times this season, moved to second in the National League with 62. He trails only teammate David Cone, who has 69.

Benito Santiago, Gary Sheffield and Darrin Jackson hit solo homers to account for the San Diego scoring and half of the six hits off Fernandez. The Mets added to the woes of Padres starter Greg Harris, who allowed seven runs and nine hits in 3⅔ innings.

Sheffield hit his eighth homer in the sixth to extend his batting streak to 14 games, one shy of the NL best this season, set by the Atlanta Braves' Terry Pendleton.

NATIONAL LEAGUE

BOOKS

CARNIVAL CULTURE: The Trashing of Taste in America.

By James B. Twitchell. 306 pages. $24.95. Columbia University Press, 562 West 113th Street, New York, New York 10025.

Reviewed by Jonathan Yardley

JAMES B. TWITCHELL is an academic who writes about popular culture, a combination that alone is ample reason to give any reader pause. But whereas almost every other member of the pop-professoriat has got it all wrong — with ludicrous claims for pop culture as "art" — Twitchell has got it pretty much right: He understands the genuine and troubling importance of popular culture, and he hasn't many illusions about its aesthetic content.

The essential message he seeks to convey in this intelligent and provocative book is that the rise of popular culture is the triumph of the mass audience, or, if you wish, of democracy. "The end of the 20th century promises to reverse what the 19th century had separated as high and low culture," he writes. "Where the elite threatened to exile the vulgar, now the vulgar threatens to exile the elite." As he puts it elsewhere:

"Not to put too fine a point on it, the thesis of this book . . . is that the center of gravity — the 'norm' — in Western culture and world culture is dropping. . . . We are rapidly approaching the point where there will be no border between Lower Aesthetica and Upper Vulgaria. The gatekeepers can't find the gates."

That passage reflects the academic side of Twitchell: the insistence that those who resist the tide of mass vulgarity do so out of fear that their own cultural "hegemony" will be washed away. Like so much of the balderdash emitted by academia these days, this is rooted in Marxist notions of class struggle and has little foundation in reality. The possibility that the pervasiveness of mass culture should be resisted for the simple reason that it is the ultimate victory of the lowest common denominator is one that the pop-culture apologists simply can't, or won't, acknowledge.

The tide of mass culture — of vulgarity in the sense of "common, unwashed, scumular, barbaric" — is irresistible; those apologists for "high" culture who rail against it may do so to their hearts' content, but it is in a lost cause, for high culture now exists on a periphery even more marginal than that it once occupied and its future looks even less promising. Beethoven is now an "Ode to Joy" played between innings at a baseball game, Mozart is a vaguely familiar strain in the background as you ride an elevator, Shakespeare is a clever quote in one advertisement and Da Vinci a witty illustration in another. Nothing is so great as to be above trivialization; the insatiable maw of the mass demands constant feeding, and only in the form of pablum.

This last is not exactly the argument that Twitchell makes. He asserts that "the vulgar is powerful because it takes very simple ideas very seriously, earnestly and energetically; that its predictability is strength; that derivation and repetition are signs of success; that it is authentically democratic and classless, and that it is infinitely tolerant, viciously cheap, and ultimately adaptive."

Not surprisingly, Twitchell's strongest emphasis is on television, "a medium whose impact is so profound and so resolutely banal that it has almost single-handedly removed vulgarity from modern culture by making it the norm." But he also has much to say about the movies and about book publishing.

Along the way Twitchell touches on any number of subjects, from the mixed legacy of the original movie moguls to the strange history of public television to the rise of the celebrity author to the relationship between mass culture and violence.

It is easy to rant and rail against a culture that venerates the likes of Roseanne Barr and Arsenio Hall and Sylvester Stallone and Madonna; it is harder to figure out what all this means and to discern whether there is anything of value to be located in it. Like it or not, pop culture is the new reality; what Twitchell is here to tell us is that we are going to have to learn to live with it.

Jonathan Yardley is on the staff of The Washington Post.

BRIDGE

By Alan Truscott

THE diagramed deal, played in the Berkeley-Carteret Hotel in New Jersey, helped Jay Korobow, sitting South, to win the Swiss Team title along with Peter Mayewski, Julie Rowe and Abe Pineles.

North-South had a chance to defend two clubs doubled, which would have been interesting: East can escape for down one if he is careful. The defense can start with two spade winners, a spade ruff, the heart ace and a heart ruff, but East can then avoid a trump loser if he leads a diamond quickly from his hand.

In two spades, the defenders began by taking the club king and the club ace. East shifted to the diamond three, which was ducked to the nine. West misjudged by returning a diamond, and South took the queen. He led three rounds of spades, and was later able to play diamonds. This forced West to lead a heart and the heart ace came to life, providing a discard for the club loser and giving South his eighth trick.

The play would have been much more complex if West had shifted to a major suit at the fourth trick. It appears that South can always prevail, scoring 110 against the 100 he could have collected against two clubs doubled.

NORTH
♠ 10 5
♡ A Q 9 7 6 3
◇ 8 6 4
♣ 7 2

WEST
♠ J 6 3
♡ 10 8 4 2
◇ K J 10 9
♣ K 9

EAST (D)
♠ Q 4 2
♡ K J 5
◇ 3 2
♣ A J 10 8 3

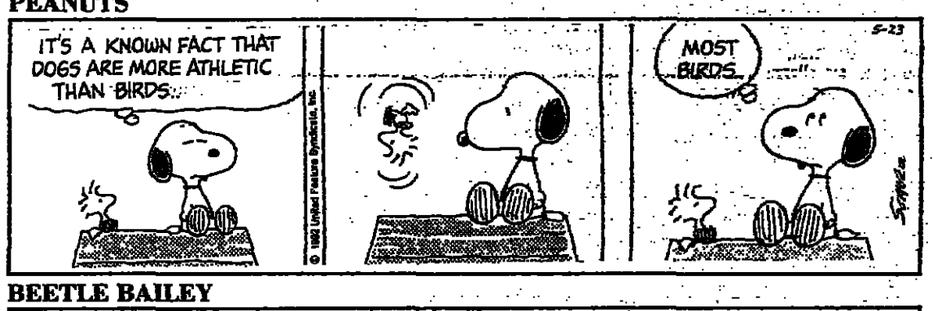
SOUTH
♠ A K 9 8 7
♡ —
◇ A Q 7 5
♣ Q 6 5 4

North and South were vulnerable
The bidding:

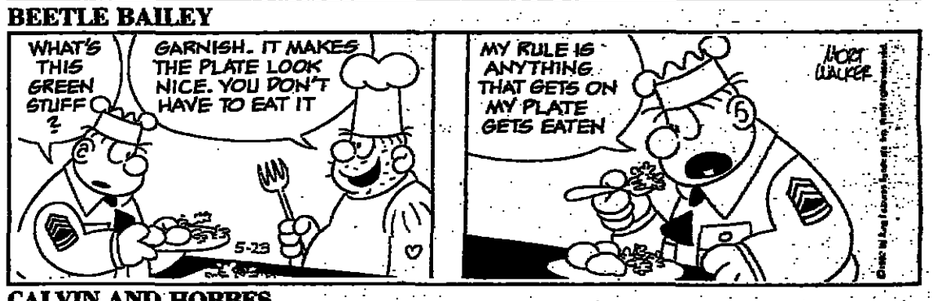
East	South	West	North
Pass	1 ♠	Pass	1 N.T.
2 ♣	Dbl.	Pass	2 ♡
Pass	2 ♠	Pass	Pass
Pass			

West led the club king.

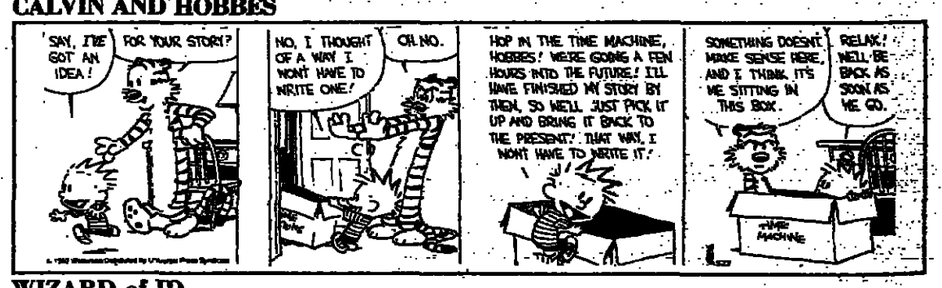
PEANUTS



BEETLE BAILEY



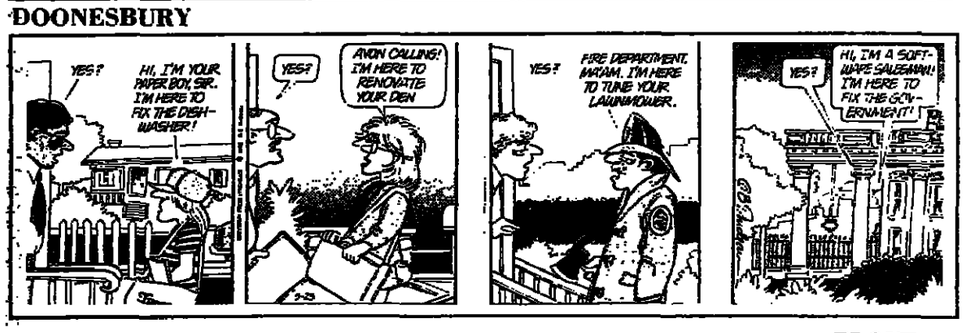
CALVIN AND HOBBES



WIZARD of ID

REX MORGAN

DOONESBURY



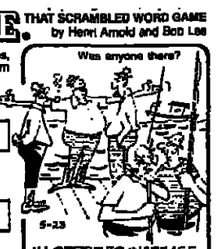
BLONDIE

DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

SASEY
HIGEW
ONASAT
SPLEET



IN ORDER TO INCREASE THE SIZE OF THE FISH YOU CATCH, THERE SHOULD NEVER BE THIS.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ○○○○○○○○○

(Answers Monday)

Yesterday's Jumbles: DUMPY FAINT JITNEY PALACE
Answer: What kind of remarks did the pancake chef make?—"FLIP-PANT" ONES

GARFIELD

SPORTS NBA PLAYOFFS

Indy 500 Showcase: For Fearless Mears, A Shot at Win No. 5

By Mike Freeman
Washington Post Service

INDIANAPOLIS — What scares Rick Mears? Standing in front of a group of people and speaking.

"My knees get all weak," he says. Or writing. He would rather put on ballet tights and mud wrestle Ross Perot than write a story about himself. "I can't write; it terrifies me," he says.

What scares Rick Mears? It's what doesn't scare him that is amazing. He has no problems with strapping himself in a 1,500-pound (680-kilogram) car capable of 700-plus horsepower and propelling his body through the Indianapolis Motor Speedway course at speeds approaching 240 mph (390 kph) on the straightaways.

Race officials say that is the takeoff speed of the Concorde jet. It's also just about one-third the speed of sound.

He isn't afraid of stepping right back into a car after crashing, either. During a practice run early this month for the Indianapolis 500, Mears skidded after liquid from a broken line leaked from the right side of his Penske-Chevy. Mears describes that accident matter-of-factly.

He said his tires skidded and the car, after sliding more than 300 feet (90 meters), slammed into the outside wall of Turn 2. For a moment, the car was airborne. It flipped several times, then slid for hundreds of feet on Mears's rollbar, then slid down the backstretch on his helmeted head. Amazingly, Mears emerged from the horrible crash with only a broken left foot and a sprained right wrist.

"I was telling guys after the accident that I felt the car start wiggling," he said. "Then I knew I had a problem. My first thought was, 'This is going to hurt.'"

What scares Rick Mears? The most? He shoots back quickly: "Not winning."

Which is why on Sunday defending Indy champ Mears — broken foot and all — will go for a record fifth Indianapolis 500 victory from Row 3. Some say race-car drivers are among the toughest and most talented athletes in sports.

So what does that make Mears? At the very least, with all due respect to his allergic reactions to public speaking and writing, it makes him a truly fearless man.

At Indy, death is as close as the gas pedal. Mears knows he could have died in that crash. But what makes him, and a handful of people like him across the world, get back into one of those rockets right after a crash is a competitive spirit unique to the trade. Fear just isn't a factor when drivers step into their cars. It can't be. If it were there would be many more accidents.

"Really I don't see what I do as tough," he said. These days whenever Mears relaxes and watches TV he props his foot up to ease the pain. He's still a little sore from the accident. But two days after the crash, he was back in the car qualifying with an average speed of 224.594 mph.

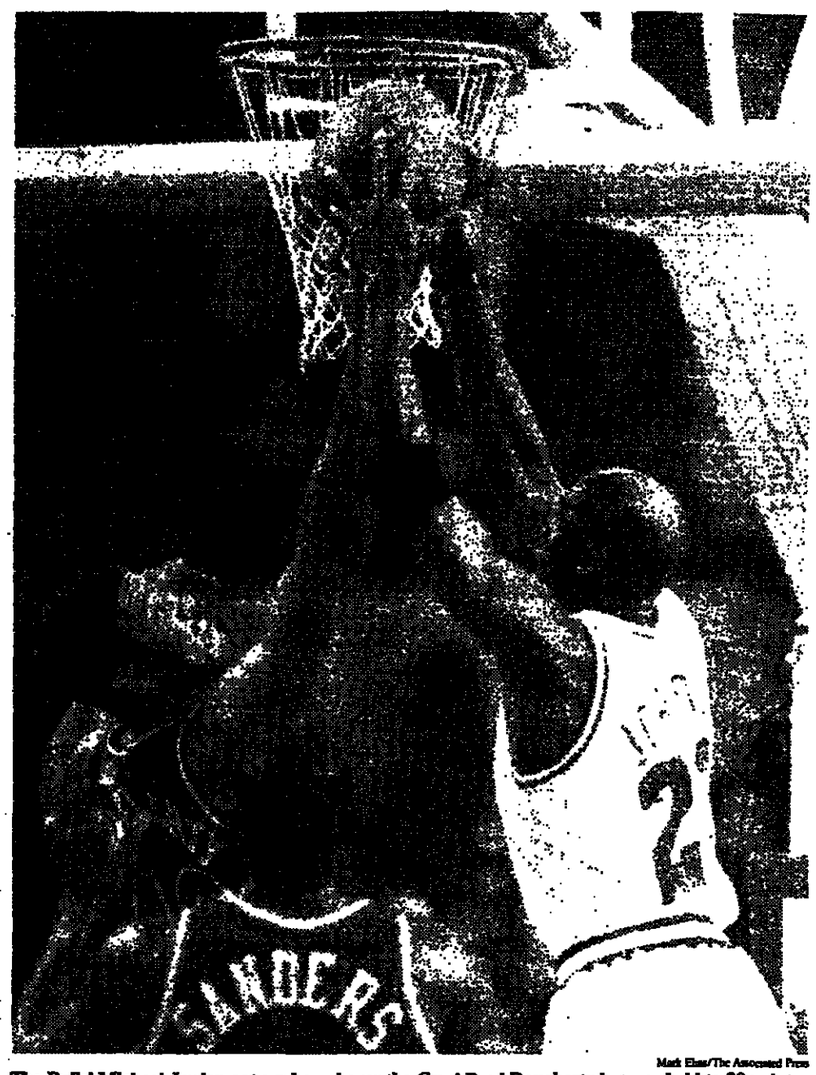
"If I'd never raced anything else then maybe I'd be scared," he said. "But over the years you sneak up on things, you sneak up on the high speeds. You race one car, then another, then go faster and faster. You gradually get used to it.

"You go out on the track and after 10 or 20 laps you get acclimated to the speed. In your mind you slow it down. The driver sees just about everything. To an outsider looking in, things are a blur. On the inside looking out it's crystal clear."

Mears said it's easier to get back in a car after an accident when he has figured out what went wrong. He knows the chances of the same thing that caused the accident recurring are slim and that makes it easier to face the track.

The 76th Indy may be one of the most competitive — and fastest — in recent years. The pole sitter is Roberto Guerrero, who set qualifying records in his Lola-powered Buick with an average speed of 232.482 mph. The race features 10 former Indy winners, from Arie Luyendyk to Bobby Rahal.

Last May, Mears won Indy after a spirited duel with Michael Andretti to claim his fourth title. That put him in an exclusive club with legends A. J. Foyt and Al Unser Sr. as the only people to win four Indy titles.



Mark Elias/The Associated Press
The Bulls' Michael Jordan got a rebound over the Cavs' Brad Daugherty but was held to 20 points.

Cavs Trounce the Bulls, 107-81, to Even Series

By Harvey Araton
New York Times Service

CHICAGO — If the Knicks were a wake-up call for the Chicago Bulls in the Eastern Conference semifinals, then the Cleveland Cavaliers sounded a fire alarm at Chicago Stadium.

The Cavaliers trounced the Bulls in a manner the slowball Knicks could have only dreamed of.

Dispelling the silly notion that the only way to beat these Bulls is to wrestle them to the floor and take the air out of Michael Jordan as they never have before, the Cavs evened the Eastern Conference finals Thursday night at one game apiece with a stunning 107-81 victory.

"The worst loss I've ever been involved in," said the Bulls' Horace Grant, who predicted a quick turnaround for Game 3 on Saturday in Richfield, Ohio.

The Cleveland coach, Lenny Wilkens, had guaranteed his team would make its presence felt after a lethargic defeat in Game 1, when the Bulls talked of how much fun they'd had, how airy and spacious the court had seemed with the Knicks gone, and what a pleasant, wimpy bunch of fellows the Cavaliers were.

"We couldn't be cream puffs and marshmallows if we won 57 games," said Wilkens. "Our guys knew how upset I was, but I was pretty confident we'd come out and play harder."

As it turned out, Wilkens was guilty of egregious understatement. To his credit, he finally acknowledged that in order for his team to beat the Bulls, it had to significantly step up its defensive pressure on Jordan and Scottie Pippen.

Even Jordan has nights when the basket seems to just say no. The flu bug he said he had before Thursday night's game couldn't have helped, though Craig Ehlo, who helped harass Jordan to 7-for-22 shooting, didn't want to hear it.

"If he was sick, he should have stayed home," Ehlo said.

A more aggressive Ehlo was only part of the story, as the Cavs extended their defense, double-teaming to assist Ehlo, as well as Mike Sanders on Pippen. With Jordan making two of his 13 first-half shots and Pippen four of 11, the other Bulls had no answers.

"We actually wanted to double-team a little more in the first game," said Wilkens. "but we didn't do a very good job of it."

The Bulls missed their first 13 shots of the game. By the time Pippen connected from 20 feet with 3 minutes, 36 seconds left in the first quarter, they were in a 20-6 hole and they weren't going to get as much as a leg up in trying to climb out.

The Cavaliers, meanwhile, presented an awesome display of ball movement, with Brad Daugherty establishing his low-post offense and with Larry Nance and John Williams loosening the Bulls up for Mark Price's one-man motion offense to tear them apart.

In building a 59-33 halftime lead, the Cavs made 63.6 percent of their shots, to Chicago's 27.9. Twelve of Price's 21 first-half points came on 3-point shots. Daugherty had 16 of his game-high 28 in the opening half.

Jordan finished with 20 points and Pippen 11, a far cry from the 62 points they combined for in Game 1.

Between Games 1 and 2, the Cavs were besieged with questions about whether they had the toughness to shut down the team that before Thursday night had a 15-2 record against them over the last three years.

Fast breaks aside, the Cavs have never surrendered an abundance of layups, as they were the No. 1 shot-blocking team in the league this season.

The Bulls coach, Phil Jackson, calls the Cavs' defensive philosophy an "umbrella, the kind where if you're not shooting well, you can be sitting out there putting shots up and getting nothing accomplished."

That said, Jackson went on to decry his players' effort, saying they "deserved to be booed," as they were walking off following the first half.

"I never sat through an exhibition of basketball like that," he added, referring more to the Bulls than the Cavs.

Any thoughts that halftime reflection would redirect this rout were gone when Price, on consecutive trips down the floor in the third quarter, slipped between the giants for offensive rebounds of his own missed jumpers and set up a basket and two free throws by Nance.

By the middle of the fourth quarter, the Cavs' lead having mushroomed to a high of 35, Jordan and Pippen were on the bench, presumably looking forward to Game 3.

Long Road for Race's 2d Woman Driver

By Joseph Siano
New York Times Service

INDIANAPOLIS — Lyn St. James was not taking many telephone calls at her apartment here this past week. Each day, she was sitting in a spare bedroom, wearing a fire-retardant suit and crash helmet, driving in the Indianapolis 500.

America's most famous auto race hasn't moved indoors, though. It will be run on Sunday, as scheduled, before about 325,000 spectators at the Indianapolis Motor Speedway.

St. James is simply using a simulated chassis of a race car — her own innovation — in a very precise game of pretend, trying to duplicate the mental and physical demands of the race as she prepares to become only the second woman to drive in the Indy 500.

Along with horse racing, auto racing is one of the very few sports in which women compete against men at the highest level. Ascending to this level has required St. James to overcome conditions more forbidding than any she might be simulating in her preparation for this weekend's race.

Before last Saturday, when St. James, 45, drove a Lola-Chevy for four laps around the two-and-a-half-mile Speedway at an average speed of 220.150 miles an hour (356.3 kilometers an hour), only Janet Guthrie had qualified to enter a bastion so alien to women that she had to leave the garage area wearing her driver's suit and mingle with spectators when she needed a restroom.

That particular situation has changed, and so has the pioneering atmosphere that defined Guthrie when she competed in the race in the late '70s.

St. James insists that she sees herself as racer first, with the groundbreaker role several laps behind.

"This is for me," she said. "This is a goal that I've had in meeting a career objective. It's a personally driven thing that I know could have ancillary benefits to it, but which I can't control."

In order for more women to ascend to the highest level of this sport, they will first have to master another sport, that of acquiring corporate sponsors.

St. James had to approach about 150 companies before she found two — J. C. Penney and Agency Rent-a-Car — willing to provide the minimum of $500,000 total to bankroll her effort.

Although St. James has been enterprising enough to turn her singularity in a male-dominated sport on its head by approaching companies that sell products to women, she has been turned down by, among others, major cosmetics companies.

But St. James demurs from blaming sexism for the paucity of female drivers here.

"If you knew how many licensed professional race drivers there are and how hard it is to get here," she said, "the odds are so much against you that in the big picture, the gender issue is such a small thing."

The difficulty in making inroads stems more from the fact that auto racing, unlike major professional team sports, does not have an organized, talent-based system of advancement from grass-roots to the elite level.

It is a sport of individuals, who forge their way through the corporate structure in a search for ever-higher amounts of sponsorship money.

St. James describes with delight her first meeting with the three decision-makers from J. C. Penney. They were all women and it didn't hurt, she adds, that one drove a Porsche and another a Jaguar.

What has eased St. James's path to Indy is the fact that she is the most experienced female racer in America, and very likely the world.

Penguins Sink Bruins For 3-0 Lead

By Joe Lapointe
New York Times Service

BOSTON — Kevin Stevens grew up in the Boston area as a hockey fan. He played as an amateur for Boston College and almost became a Bruins employee last summer.

Instead, the big left wing remained a Penguin, and he scored four goals Thursday night to help his Pittsburgh teammates beat the home team, 5-1, at Boston Garden.

The first three goals were on a natural hat trick in the first period, staking the Penguins to a 3-0 lead.

The defending Stanley Cup champions now hold a 3-0 lead in the four-of-seven-games Wales Conference final of the National Hockey League. The winner of this series will play the winner of the Chicago-Edmonton series in the Stanley Cup finals. Chicago leads that series, 3-0.

"It couldn't happen in a better place," Stevens said. "I hadn't scored in five games. When you are goal scorer, you worry about those things."

After falling behind in the first round to Washington and twice battling back from two-game deficits, the Penguins ousted the Capitals in seven games and then eliminated the Rangers in six despite falling behind after three games.

Since then, they have won six consecutive games and their best player, Mario Lemieux, has returned from a broken left hand. He played well again in his second game back, getting three assists.

The National Hockey League record for goals in a playoff game is five, held by five players, including Lemieux. Bryan Trottier had the other Pittsburgh goal.

Joe Juneau, a Boston rookie, scored early in the third period to cut the lead to 4-1 but left the game 62 seconds later with a five-minute major penalty for high-sticking Ulf Samuelsson.

Connors vs. Stich In French Opener

The Associated Press

PARIS — Jimmy Connors delighted French Open fans last year with a stirring third-round battle against 1989 champion Michael Chang before succumbing to cramps in the fifth set.

Connors, 39, is back at Roland Garros stadium this year, but his stay may be shorter. On Friday, he drew 1991 Wimbledon champion Michael Stich, the No. 4 seed, as his first-round foe. *(See Scoreboard)*

Defending champion and top-ranked Jim Courier drew a qualifier but is likely to face Austria's Thomas Muster, a tough clay-court player, in the second round. Muster won the Monte Carlo tournament in April.

In the women's draw, two-time champion and top seed Monica Seles faces France's Catherine Mothes in the first round. Steffi Graf, also a two-time winner here, meets Rene Simpson-Alter of Canada.

Connors hasn't forgotten how the organizers let him into the tournament last year despite a ranking of 322 due to inactivity following hand surgery.

He said that he was proud he didn't need a wild card this year. "I hope to do what I did in 1991," he said, "especially if the fans support me again."

He added, "At the time I had only two months training behind me. I was in much better conditions physically three months later at Flushing Meadow." Connors's heroics in Paris laid the groundwork for a semifinal appearance at the U.S. Open in September.

John McEnroe, ranked 36th this year compared to Connors's 38, plays Niklas Kuilti of Sweden in the first round. Last year, McEnroe lost a tough first-round match against Andrei Cherkasov.

No. 2 seed Stefan Edberg faces French wild card Olivier Soules in the first round. American Pete Sampras, the third seed, meets Marc Rosset of Switzerland in a battle of hard servers.

Two other Americans have tough Dutch opponents. Chang, seeded fifth, plays Paul Haarhuis, who once beat McEnroe at the U.S. Open. Aaron Krickstein, seeded 13th, faces Mark Koevermans.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Toronto	26	16	.619	—
Baltimore	24	15	.615	½
New York	22	17	.564	2½
Boston	19	17	.528	4
Milwaukee	18	20	.474	6
Detroit	16	22	.430	7
Cleveland	13	28	.317	12½
West Division				
Oakland	24	16	.600	—
Chicago	23	16	.568	1½
Minnesota	21	18	.538	3½
Texas	22	21	.512	3½
California	19	20	.487	4½
Seattle	15	25	.375	9
Kansas City	14	25	.359	9½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	22	14	.579	—
St. Louis	23	17	.575	½
New York	23	19	.548	1½
Montreal	17	20	.459	5
Philadelphia	17	21	.447	5½
Chicago	17	22	.436	6
West Division				
San Francisco	23	16	.590	—
San Diego	22	19	.537	2
Cincinnati	20	19	.513	3
Atlanta	19	23	.452	5½
Houston	17	23	.425	6½
Los Angeles	15	21	.417	6½

Thursday's Line Scores

AMERICAN LEAGUE

Milwaukee	201	004	000—7	9	1
Detroit	001	020	000—3	5	0

Plesac, Nunez (6), Austin (7), Henry (9) and Nilsson; Aldred, Doherty (4), Lancaster (7), Ritz (9) and Kreuter. W—Nunez, 1-1. L—Aldred, 1-4. HRs—Milwaukee, Seitzer (2), Molitor 2 (4), Fletcher (1); Detroit, Whitaker (5), Kreuter (1).

Kansas City	010	000	333—7	5	0
Texas	020	000	000—2	6	1

Gordon, Young (3), Heaton (7), Meacham (8), Montgomery (9) and Macfarlane; Ryan, McCullers (8), Rogers (8), Russell (9) and Rodriguez. W—Meacham, 2-0. L—Rogers, 0-2. Sv—Montgomery (5). HRs—Kansas City, Macfarlane (4), Stumpert (1); Texas, Reimer (5).

NATIONAL LEAGUE

Pittsburgh	000	000	000—0	2	1
San Francisco	000	000	10x—1	5	0

Walk, Lomo (8), B.Patterson (8), Miller (8) and LaValliere; Burkett, M.Jackson (8) and McNamara. W—Burkett, 4-1. L—Walk, 1-3. Sv—M.Jackson (2).

New York	022	201	000—5	14	0
San Diego	010	001	100—3	6	2

S.Fernandez, Innis (8), and Hundley; Gr.Harris, Rodriguez (4), J.Hernandez (6), Clements (8), Myers (9), and Santiago, Bilardello (9). W—S.Fernandez, 3-4. L—Gr.Harris, 1-4. HRs—New York, Murray (5), Bonilla (4); San Diego, Sheffield (5), Santiago (3), Dr.Jackson (5).

Japanese Baseball

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	21	14	0	.600	—
Hiroshima	20	15	0	.571	1
Honshin	20	16	0	.556	1½
Chunichi	17	17	0	.500	3½
Taiyo	15	22	0	.405	7
Yomiuri	13	22	0	.371	8

No games scheduled on Friday

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Kintetsu	23	11	2	.676	—
Seibu	20	13	0	.606	2½
Daiei	18	16	0	.588	5
Lotte	17	17	0	.500	6
Nippon Ham	14	17	2	.452	7½
Orix	9	25	0	.265	14

Friday's Result

Orix 5, Lotte 8

BASKETBALL

NBA Playoffs

CONFERENCE FINALS
(Best-of-7)

EASTERN CONFERENCE
(Series tied 1-1)

Cleveland	30	29	18	30—107
Chicago	14	19	17	31— 81

CLEVELAND: Nance 5-8 4-4 14, Sanders 3-5 0-0 6, Dougherty 11-20 6-7 28, Ehlo 3-7 0-0 6, Price 5-9 9-9 23, J.Williams 5-9 0-0 10, Brandon 1-4 0-0 2, Ferry 2-2 0-0 4, Battie 3-7 3-6 9, James 1-4 2-4 4, Kerr 0-2 0-0 0. Totals 39-79 25-36 107

CHICAGO: Pippen 4-14 3-4 11, Grant 5-10 0-0 10, Cartwright 0-4 0-0 0, Paxson 2-6 0-0 5, Jordan 7-22 6-7 20, King 5-10 3-6 13, Armstrong 7-10 2-3 16, Levingston 0-1 0-0 0, Hodges 0-5 0-0 0, S.Williams 0-2 0-0 0, Perdue 1-2 0-0 2, Hansen 2-3 0-1 4. Totals 33-87 14-23 81.

3-Point goals—Cleveland 4-7 (Price 4-5, Ehlo 0-1, Kerr 0-1), Chicago 1-7 (Paxson 1-2, Hansen 0-1, Pippen 0-2, Hodges 0-2). Fouled out—None. Rebounds—Cleveland 53 (Dougherty 9), Chicago 55 (Grant 12). Assists—Cleveland 26 (Ehlo, Price 7), Chicago 17 (Pippen, Jordan, Perdue, Hansen 3). Total fouls—Cleveland 25, Chicago 19. Technical—Pippen.

HOCKEY

Stanley Cup

CONFERENCE FINALS
(Best-of-7)

WALES CONFERENCE
(Pittsburgh leads series 3-0)

Pittsburgh	3	1	1—5
Boston	0	0	1—1

First Period—1, Pittsburgh, K.Stevens 8 (Jagr, Lemieux), 9:08. 2, Pittsburgh, K.Stevens 9 (Francis, Tocchet), 12:42 (pp). 3, Pittsburgh, K.Stevens 10 (Lemieux, Tocchet), 15:03. Second Period—4, Pittsburgh, Trottier 4 (Jagr, Loney), 8:26. Third Period—5, Boston, Juneau 4 (Wesley, Oates), 8:11. 6, Pittsburgh, K.Stevens 11 (Lemieux, Jagr), 14:31.

Shots on goal—Pittsburgh (on Moog) 11-11-6—28. Boston (on Borrosso) 12-11-8—31.

TENNIS

French Open draw for seeded players

MEN

Jim Courier (1), U.S., vs. qualifier; qualifier vs. Jakob Hlasek (16), Switzerland; Carlos Costa (9), Spain vs. Karsten Braasch, Germany; Simon Youl, Australia, vs. Goran Ivanisevic (8), Croatia; Pete Sampras (3), U.S., vs. Marc Rosset, Switzerland; qualifier vs. Alexander Volkov (14), CIS; Andre Agassi (11), U.S., vs. Javier Frana, Argentina; Luiz Mattar, Brazil, vs. Guy Forget (6), France; Michael Chang (5), U.S., vs. Paul Haarhuis, Netherlands; Francisco Clavet, Spain, vs. Richard Krajicek (12), Netherlands; Aaron Krickstein (13), U.S., vs. Mark Koevermans, Netherlands; Jimmy Connors, U.S., vs. Michael Stich (4), Germany; Petr Korda (7), Czechoslovakia, vs. Christian Bergstrom, Sweden; Sergi Bruguera, Spain, vs. Ivan Lendl (10), Czechoslovakia; Brad Gilbert (15), U.S., vs. Cedric Pioline, France; Olivier Soules, France, vs. Stefan Edberg (2), Sweden.

WOMEN

Monica Seles (1), Yugoslavia, vs. Catherine Mothes, France; Radka Zrubakova, Czechoslovakia, vs. Anke Huber (9), Germany; Mary Pierce (13), France, vs. Regina Rajicirova, Czechoslovakia; qualifier vs. Jennifer Capriati (5), U.S.; Gabriela Sabatini (3), Argentina, vs. Silvia Farina, Italy; Pascale Paradis-Mangon, France, vs. Katerina Maleeva (11), Bulgaria; Leila Meskhi (15), CIS, vs. Laura Garrone, Italy; Laura Gildemeister, Peru, vs. Conchita Martinez (7), Spain;

Manuela Maleeva-Fragniere (8), Switzerland, vs. Halle Cioffi, U.S.; Ines Gorrochategui, Argentina, vs. Nathalie Tauziat (12), France; Kimiko Date (14) Japan, vs. Naoko Sawamatsu, Japan; Katja Oelliekius, Germany, vs. Aranxa Sanchez Vicario (4), Spain; Mary-Joe Fernandez (6), U.S., vs. Gigi Fernandez, U.S.; Tami Whitlinger, U.S., vs. Sabine Appelmans (16), Belgium; Jana Novotna (10), Czechoslovakia, vs. Debbie Graham, U.S.; Rene Simpson-Alter, Canada, vs. Steffi Graf (2), Germany.

TRANSACTIONS

BASEBALL
National League
SAN FRANCISCO—Activated Robbie Thompson, second baseman, from 15-day disabled list. Optioned Craig Colbert, catcher, to Phoenix, Pacific Coast League.

BASKETBALL
National Basketball Association
CHARLOTTE—Tony Renaud, executive vice president, resigned.

FOOTBALL
National Football League
NEW ENGLAND—Named James Halpermann vice president and chief financial officer. Signed Tim Edwards, defensive end, and Al Golden, tight end.
PHILADELPHIA—Signed Chris Conlin, offensive lineman; Brian Dowler, wide receiver; and Stacy Harrison, cornerback.

COLLEGE
ADELPHI—Named Karen Loeber women's volleyball coach.
BELMONT ABBEY—Named Frank Mercogliano sports information director.
BROCKPORTST.—Named Michele Carron women's basketball coach.
BUCKNELL—Named John Zeisler water polo coach and assistant swimming coach.
CITADEL—Named Benly Taylor men's assistant basketball coach.
COLGATE—Named Don Vaughan ice hockey coach.
DRAKE—Named Jamie Bermel men's golf coach.
IOWA STATE—Named Debra McClure women's assistant basketball coach.
JOHN CARROLL—Named Mike Moran men's basketball coach.
MANHATTAN—Named Judy McCleary women's volleyball coach.
MASSACHUSETTS-LOWELL—Named Gary Manchel men's basketball coach.
NEW MEXICO—Signed Dave Bliss, men's basketball coach, to 3-year contract.
N.C.-WILMINGTON—Bill Cosen, men's and women's cross country and track and field coach, resigned.
NORWICH—Named Troy Amaris men's basketball coach.
PACIFIC—Fired Therese Lowry, women's softball coach.
PURDUE—George King, athletic director, retired effective June 30.
QUINNIPIAC—Named Bob Kuzmeski athletic trainer.
RADFORD—Named Lynn Brie women's assistant basketball coach.
ROCHESTER—Stephen Locker, men's soccer coach, resigned.
SAN JOSE STATE—Named Koren Smith women's basketball coach.
SOUTH FLORIDA—Named Pam LaPan compliance officer.

CRICKET

SECOND ONE-DAY INTERNATIONAL
England vs. Pakistan
Friday, in London

England: 302-5 (55 overs)
Pakistan: 132-1 (25 overs), at tea

SIDELINES

Nelson Named NBA Coach of the Year

OAKLAND, California (AP) — Don Nelson, whose Golden State Warriors won 55 games during the regular season, has been named the NBA's Coach of the Year for an unprecedented third time.

After leading the Warriors to their best record in 16 years, Nelson received 26 of a possible 96 votes from a panel of sports broadcasters and writers who made the selection. Pat Riley of the New York Knicks was second with 21 votes, followed by Phil Jackson of the Chicago Bulls with 17.

"This one is the most exciting one because I won in a year in which there were so many great jobs done by great coaches," said Nelson, who also won the honor in 1983 and 1985 with the Milwaukee Bucks.

Basques Set Tour de France Demands

SAN SEBASTIAN, Spain (AP) — Radical Basques threatened Friday to disrupt the opening stages of the Tour de France if certain organizational conditions were not met.

Herri Batasuna, the party considered the political wing of the armed Basque separatist group ETA, said the exclusive use of the red-green-white *ikurrin*, or Basque flag, and preferential use of Euskara, the Basque language, were necessary conditions for a smooth start to the 21-day cycling tour that begins here on July 4.

A spokesman for the group declined to specify what would happen if tour organizers rejected or ignored the conditions. He said the Basque party desired a problem-free start to the cycling race.

For the Record

Jean-Claude Killy, the former Olympic ski champion who organized the Winter Olympics in Albertville, has been named president of a new company to organize such sports events as the Tour de France. *(Reuters)*

Kentucky Derby winner Lil E. Tee won't be running in the Belmont Stakes June 6 because of a lung infection his trainer says was present during the colt's fifth-place finish in the Preakness last Saturday. *(AP)*

Astrid Strauss, winner of a swimming silver medal for Germany in the 1988 Olympics, was suspended Friday by the German Swimming Federation, pending an investigation into possible drug use. She faces a six-month ban if it is ruled she took performance-enhancing drugs. *(AP)*

Robert Millar, the British cyclist, was fined $2,000 after a second test showed he had taken performance-boosting substances during the Tour of Spain, the head of the Spanish Cycling Federation said Friday. *(AP)*

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DAVE BARRY

Back to Nature, Dude

(This is Part Two of a two-part investigative humor series on a tax-deductible trip my family and I took out West, during which, as we shall see, I was very nearly killed by a possible bear.)

MIAMI— While in Montana we spent a couple of peaceful days in a cabin on the Bench Ranch, which is owned by Jack and Susan Hyneman, veteran ranchers who know what a "heifer" is and are not afraid to walk right up and touch a live horse, something I would not do except from inside an armored personnel carrier.

The Bench Ranch is just up the road a piece, or possibly two pieces, from the town of Fishtail, which is not far from Roscoe. The major industry in the Fishtail-Roscoe metroplex is cows. Cows do not have what you would call a varied lifestyle. Every morning they wake up and have a group planning meeting. They go: "Well, what does everybody want to do today?" "I know! Let's stand around eating!" "Sounds good!"

I generally don't go near cows, because they, like horses, fall into the category of Large Animals With Unnecessarily Hard Feet. But my son, Robby, wanted to see them up close, and finally, by accusing me of being a coward, which I am, he got me to climb with him over the fence, so that we were INSIDE WITH THE ACTUAL COWS. There were maybe 50 of them, and they all looked up at us and started moving around in a suspicious manner, suggesting to me that they had just that morning decided to quit eating grass and become carnivorous.

□

"Let's pretend to be harmless herbivores," they were saying, "then use our unnecessarily hard feet to squash them like jelly doughnuts!"

So I climbed back out of there pronto. But the next day I went back, this time protected by a real cowperson named Jeff Guckenberger, and his dog, L. C. (for "Last Chance"). L. C. is a hard-working, very strict, 40-pound dog who does NOT approve of the cow lifestyle. At the slightest signal from Jeff, she'd leap off the truck and charge into a group of 800-pound cows, barking orders. And the cows, whose TONGUES are bigger than L. C., would move.

Everybody should have a dog like this. You know how, when you throw a party, all the guests gather in the kitchen, and you can't get them to move into the living room? You could just give the signal, and L. C. would come charging into the kitchen, barking and nipping at your guests' heels, and in no time they'd be in the living room, grazing on hors d'oeuvres.

□

Our big excitement at the Bench Ranch was watching a calf get born. One of the cows just lay down on her side, and a little while later she emitted a baby cow about the size of John Sununu. It looked painful, but the other cows paid no attention. "They don't have a strong support group," said Jeff.

Meanwhile, the bull who fathered this calf was off with the other bulls, drinking beer and playing cards.

After we left the Bench Ranch, we drove down the road several hundred pieces to Cody, Wyoming. We stayed in the mountains outside of town in a cabin owned by Ted and Kate Williams, who, like so many modern couples with small children, are concerned about the issue of bears. Yes. There are real bears running around out there, unsupervised, without licenses or collars or any thing.

□

I became concerned about this issue myself soon after we arrived, when I walked up the hill from the main house to the cabin at dusk to get a frozen pizza out of the refrigerator for the kids.

As I walked back down the hill, alone, in the gathering darkness, it occurred to me that I was a natural target for bears. I realized that it could very well be a little-known fact that 96 percent of all bear attacks involve frozen pizza. They develop a lust for pepperoni. Pretty soon I was walking fast, then actually sprinting down the hillside, whirling my head around looking for large dark shapes.

You may laugh, but that night it snowed, and the next morning Robby found big round tracks outside the cabin, and Kate said she thought maybe they were bear tracks. So do I. When you've been out West as long as I have, roughly six days, you get a feel for these things, and those tracks definitely belonged to a bear, probably violent. It might even have been a "heifer."

Knight-Ridder Newspapers

Madrid Trails in Spain's Culture Derby

By John Rockwell
New York Times Service

MADRID — One can hardly blame Madrid for seeming a bit defensive. This grand metropolis of the booming new Spain is feeling decidedly third-rate in its de facto cultural competition with Barcelona and Seville this year. They have the Olympics and Expo '92, respectively, with lavish arts programs to match.

Madrid, aside from its already extensive normal cultural offerings, has the status of 1992 Cultural Capital of Europe. This honor, conferred on a different city each year by the European Community, is meant to enhance culture for the host's citizens and attract the attention of the rest of Europe. But conversations with Spanish officials in Madrid and European officials in Brussels indicate that the title is still in the process of refinement. Meaning no one is quite sure what a "cultural capital" is supposed to be or do.

In addition, Madrid has been caught up in a local political squabble that has divided cultural forces and led to safe compromises where boldness might have made a more striking statement.

The political problem is a division between a conservative mayor and Socialist regional and national governments. The Socialists started planning the Cultural Capital program but lost interest when they lost the mayoral election. Planning was turned over to a consortium uneasily encompassing both political parties. There has been a constant upheaval of staff personnel and a deliberate compromise choice as head of the consortium.

"I am no politician, and my appointment came quite late," said Pablo López de Osaba García, the consortium's director general, in late April in the consortium's palatial offices. Osaba is a Roman Catholic priest, despite his secular dress. He ran a contemporary arts museum near Madrid for 15 years as well as a summer festival of religious music.

"Osaba and his poor group of people were stuck in the middle of the political warfare," said Gudie Lawaetz, the general manager of the Media Business School here, which is sponsoring a European film-industry conference in June under consortium auspices. "They had a very slow start, and things were really hairy for a while. But I think they've done very well."

Madrid has had to define its idea of what a cultural capital might mean in the absence of leadership from Brussels, where the Cultural Capital program was born in 1985.

"There are no rules, no guidelines," said Osaba. The hands-off policy was confirmed by Colette Flesch, the administrative head of that part of the Brussels Eurobureaucracy that includes culture. "After a city is chosen, there is no further direction," she said. "We try to offer some office help, but we have no staff." One reason for this approach is the sensitivity in Brussels about imposing Europe-wide rules, especially before the economic integration of Europe that is scheduled for the end of the year.

Christine Tacconi for The New York Times

Two performers in Madrid at "Edge 92" a British-run avant-garde arts program during the month of May.

"The idea of a Cultural Capital stems from Melina Mercouri when she was the minister of culture of Greece," Flesch said. Cities apply for the honor, and the choice is made by the ministers of culture of the member nations in one of their periodic meetings in Brussels. Cities receive a token subsidy from the European Parliament, which now amounts to $230,000. They can also combine the cultural celebration with construction projects that will have a lasting effect and for which they can apply for additional European support.

The program has gathered momentum over the years and has proved more successful in smaller cities. "Madrid is trying to do a good job," Flesch said. "But special events in the smaller cities stand out. The program started out rather modestly in Athens in 1985. When Paris was the capital in 1989, it was totally buried in the celebrations of the bicentennial of the French Revolution. But Glasgow in 1990 was a turning point."

Enrica Varese, an Italian who heads the cultural subdivision in Flesch's agency, confirmed that analysis. "Glasgow used the occasion to transform itself with new construction projects," she said. "And I think Antwerp next year will be pretty impressive. They have a large budget."

The European Parliament appears to think the program has merit. After Antwerp, the cities will be Lisbon in 1994, Luxembourg (of which Flesch was mayor for a decade) in 1995 and Copenhagen in 1996.

When that first cycle of cities from the 12 member nations is completed, the process will be repeated. This time, however, it will be open to "other European countries basing themselves on the principles of democracy, pluralism and the rule of law," in the words of a resolution of the culture ministers. In the meantime, a European *Cultural Month has been started for* cities outside the 12 members countries. Krakow, Poland, is this year's choice, with Graz in Austria, Budapest and Prague to come in 1993, 1994 and 1995.

In Madrid, the consortium's main problem has been how to impose coherence and establish a festival presence in a major city already teeming with culture. Cynics have mocked the program for listing longtime cultural staples as if they were Cultural Capital events, such as exhibitions at the Prado.

"They've had trouble with people understanding what was expected of them," Lawaetz said in an interview. "A lot of people locally think it's a joke."

Osaba said that a Madrid cultural budget of $60 million had been assembled this year from the city, the region, the state, Brussels, two specially designated national lotteries and corporate sponsors.

The consortium lists some 1,800 events in its handsomely packaged box of brochures. Osaba is especially proud of a series of conferences with big-name participants from all over the world. These, he said, are designed to address major European issues on the eve of economic and political unification on Jan. 1, even if most of them are cultural only in the broadest sense.

Underlying all these efforts, however, is the sense of a losing battle with Barcelona and Seville. Osaba insisted that Madrid's Cultural Capital events had "nothing to do" with the other two Spanish cities, but nobody believes him.

"It's very hard for them, with all the hype about Seville and Barcelona," Lawaetz said. "They would have been better off two years ago or two years from now."

PEOPLE

Heeeere's Johnny, For the Very Last Time

After 30 years of being watched weeknights by millions of Americans, Johnny Carson, 66, was calling it a night Friday, as he broadcast his final show before an invited audience of friends (mainly famous) and family. For his penultimate show on Thursday, hundreds of fans lined up from early in the morning in hopes of getting one of the 465 tickets to the performance. Typical was Marilyn Heagele, 29, who had flown in from St. Louis, clutched ticket No. 83, and said four generations of her family had watched Carson: "I just felt I had to be here for the final show. It's real history." His guests on the Thursday show were Robin Williams and Bette Midler. Williams brought down the house by being mildly bawdy. Carson gasped: "We're outta here tomorrow. What do I care, what are they going to do — can me?" Things turned sentimental with Midler, a Carson favorite. He and Midler launched into an impromptu duet of "Here's That Rainy Day," one of Carson's favorite songs and she ended the show by lovingly singing "One More For My Baby" to a misty-eyed Carson, who said: "It's almost over. You know what I feel like? A chicken. And the Colonel is whipping up 11 herbs and spices."

□

The Spanish economist Juan Velarde Fuertes, 65, was awarded one of Spain's prestigious Príncipe de Asturias prizes Friday for his studies in the development of the country's economic structure. The award, one of eight granted annually, carries a cash grant of 5 million pesetas ($50,000) and a sculpture by the Spanish artist Joan Miró.

□

According to Lady Helen Windsor's wedding list, published in a London newspaper, matching his-and-her (blue-and-pink) water bottles would be welcome, as would a Nintendo computer game and a £444 ($800) croquet set. Brian Sewell, art critic for the London Evening Standard, won't say how he got hold of the 294-item list, which he said was included with wedding invitations. "Two things emerge from the list — extravagance and vulgarity," Sewell wrote. Lady Helen, 21st in line to the throne, is to marry Timothy Taylor, a 28-year-old art dealer, on July 18 at St. George's Chapel, Windsor Castle.

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INTERNATIONAL HERALD TRIBUNE TODAY PAGE 15

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